Calendar No. 379

99TH CONGRESS } SENATE { REPORT
1st Session } { 99-167

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATION BILL, 1986

OCTOBER 31 (legislative day, OCTOBER 28), 1985.—Ordered to be printed

Mr. KASTEN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 1816]

The Committee on Appropriations reports to the Senate the bill (S. 1816), making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1986, and for other purposes, and presents herewith an explanation of the contents of the bill.

Amounts in new budget authority

Fiscal year 1985 appropriations	$20,890,403,072
Fiscal year 1986 amended budget estimate	15,032,241,934
Amount of bill as reported to House	14,560,423,283
Amount of bill as reported to Senate	14,843,772,886
Bill as recommended to Senate compared to:	
1985 appropriations	−6,046,630,186
Amended budget estimate	−188,469,048
House Committee reported bill	+283,349,603

S183-17

SUMMARY TABLE: AMOUNTS IN NEW BUDGET AUTHORITY

Item	Budget estimate	House reported bill	Recommended by Senate committee	Increase (+) or decrease (-) Senate bill compared with	
				Amended budget estimate	House reported bill
Economic assistance—Multilateral	$1,543,834,934	$1,591,774,087	$1,473,333,886	- $70,501,048	- $118,440,201
Economic assistance—Bilateral	6,791,407,000	6,268,649,196	6,618,136,000	- 173,271,000	+ 349,486,804
Military assistance	6,697,000,000	5,916,120,833	6,282,321,000	- 414,679,000	+ 366,200,167
Budget authority scoring of FMS debt reform			469,982,000	+ 469,982,000	+ 469,982,000
Export-Import Bank of the United States	(12,018,357,000)	(12,801,879,167)	(13,818,000,000)	(+ 1,799,643,000)	(+ 1,016,120,833)
Budget authority scoring		783,879,167			- 783,879,167
Total, fiscal year 1986	15,032,241,934	14,560,423,283	14,843,772,886	- 188,469,048	+ 283,349,603

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A LOOK AT THE SIZE AND DIMENSIONS OF U.S. FOREIGN ASSISTANCE

To better understand the dimensions of the U.S. Foreign Assistance Program, the Committee is again including in its report tabular information showing the amounts of resources transferred to foreign nations in fiscal year 1984, fiscal year 1985, and the amount proposed to be transferred in fiscal year 1986. Table I helps to better inform the Congress and the American people about the size of the U.S. foreign assistance effort, which otherwise is only seen in several different parts.

Despite these figures, which show a significant absolute foreign assistance effort, there are many who continually criticize the United States for not providing enough foreign assistance dollars. Usually this criticism is presented in comparisons with other countries on the percentage of gross national product devoted to foreign economic assistance. Such a comparison is grossly misleading, for it presents only a partial reflection of the total contribution made by the American taxpayer to the safety and general welfare of the world's developing countries. It must be underscored, therefore, that in addition to our economic and military assistance programs, the United States continues to shoulder the major burden of defending the free world. In fact, as the following table II shows, the United States spends more on the defense of itself and the Western World than all of the other Western countries shown on the table combined. It is worth pointing out that several of the countries listed in table II direct their foreign assistance programs to former colonies, neighboring countries or trading partners, while the United States' program is worldwide in scope and does not exhibit the degree of parochial bias evident in the programs of many other donor countries. As this Committee pointed out in its report accompanying the fiscal year 1980 appropriation legislation, comparisons using only net official development assistance as a percentage of GNP "robs such comparisons of any intelligible meaning and makes it impossible to judge the inadequacy or excessiveness of U.S. foreign assistance."

Table III is included to show the continuing large portion of the cost of international banks and other multilateral organizations funded by the United States.

TABLE I—TRANSFER OF U.S. RESOURCES TO FOREIGN NATIONS

[In millions of dollars]

	Fiscal year—		
	1984 (actual)	1985 (estimated)	1986 (proposed)
Military assistance[1]	6,526.0	5,953.8	6,707.0
Economic assistance[1]	11,737.6	[2]9,959.6	13,750.6
Total foreign assistance	18,263.6	15,913.4	20,457.6
Export-Import Bank[3]	8,616.0	13,865.0	12,000.0
Total (including Export-Import Bank)	**26,879.6**	**29,778.4**	**32,457.6**

[1]Figures for military and economic assistance represent budget authorization levels.

[2]Fiscal year 1985 economic assistance level includes $764,000,000 from enacted supplemental for Africa famine. Supplemental figure excludes $16,000,000 of prior year unobligated balances brought forward.

[3]Export-Import Bank figures represent gross program authorization figures.

TABLE II—DEFENSE EXPENDITURES AND DEVELOPMENT ASSISTANCE

[Dollar amounts in millions—Revised May 22, 1985]

Country	Defense expenditures[1] (1983)		Net official development assistance[2] (1983)	
	Amount	Percent of GNP[3]	Amount	Percent of GNP
United States	$225,345	6.82	$7,992	0.24
United Kingdom	23,340	5.31	1,605	0.35
France	19,677	NA	3,815	0.74
Germany, Federal Republic of	21,004	3.42	3,176	0.49
Netherlands	4,014	3.27	1,195	0.91
Norway	1,672	3.1	584	1.06
Sweden	2,767	3.21	754	0.85
Belgium	2,465	3.3	480	0.59
Australia	NA	NA	753	0.49
Italy	8,876	2.77	827	0.24
Denmark	NA	NA	395	0.73
Switzerland	NA	NA	320	0.32
Canada	6,741	2.15	1,429	0.45
New Zealand	456	2.09	61	0.28
Finland	NA	NA	153	0.33
Austria	NA	NA	158	0.23
Japan	NA	NA	3,761	0.33
Luxembourg	38	NA	NA	NA
Ireland	NA	NA	37	0.23
Spain	NA	NA	71	0.05

[1]Data on defense expenditures in dollars and as a percent of GNP from the Office of Evaluation, Bureau for Program and Policy Coordination, Agency for International Development. Defense expenditures are preliminary estimates based on a December 1983 NATO press release entitled "Financial and Economic Data Related to NATO Defense."

[2]Data on net official development assistance in dollars and as a percent of GNP from Organization for Economic Cooperation and Development, Development Assistance Committee, Chairman's Report for 1984.

[3]GNP figures used in calculations are based on 1983 GNP figures published in the International Monetary Fund [IMF] "International Financial Statistics" report, May 1985.

NA: Not available.

TABLE III—U.S. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND SUBSCRIPTIONS AND CONTRIBUTIONS TO DEVELOPMENT BANKS

Organization or activity:	*Fiscal year 1986 estimated U.S. share as a percentage of total contributions*
African Development Bank: [1]	
Paid-in capital	7.4
Callable capital	7.4
African Development Fund [1]	15.4
Asian Development Bank: [1]	
Paid-in capital	16.3
Callable capital	16.3
Asian Development Fund	16.25
Consultative Group on International Agricultural Research [CGIAR] [AID]	25.0
Inter-American Development Bank: [1]	
Paid-in capital	34.7
Callable capital	34.7
Fund for special operations	41.27
International Atomic Energy Agency, cash contribution	25.0
International Bank for Reconstruction and Development: [1]	
Paid-in capital	20.0
Callable capital	20.0
International Development Association: [1]	
Paid-in capital (subscriptions)	25.0
International Fertilizer Development Center [AID]	40.0
Intergovernmental Committee for European Migration [2]	33.3
Organization of American States	51.6
Pathfinder Fund (population planning) [AID]	90.0
United Nations Relief and Works Agency	25.0
United Nations Educational and Training Program for Southern Africa	33.3
United Nations Environment Program	13.0
United Nations Fund for Drug Abuse Control [3]	17.0
United Nations Fund for Population Activities [AID]	28.0
United Nations Force in Cyprus	32.0
World Meteorological Organization, Voluntary Assistance Program	33.0

[1] Percentage based on most recent replenishment as negotiated internationally.
[2] Assessed contribution to the administrative budget.
[3] Fiscal year 1985 percentage. Fiscal year 1986 figures not yet available.

HISTORICAL TOTALS OF U.S. ECONOMIC AND MILITARY ASSISTANCE

The following table presents summary and detail information relating to the totality of U.S. foreign assistance (economic and military) furnished to other nations during the period fiscal years 1946–84. It has been extracted from information assembled and presented by the Agency for International Development in the current edition of its publication, U.S. Overseas Loans and Grants.

U.S. FOREIGN ASSISTANCE, FISCAL YEARS 1946–84

[In millions of dollars]

	Economic assistance	Military assistance	Total
Total economic and military assistance, fiscal years 1946–84	174,138.0	106,995.0	281,133.0
Total other U.S. loans and grants fiscal years 1946–84	55,357.0	.....	55,357.0
Economic and military assistance, fiscal year 1985 (estimated)	11,352.2	5,800.8	17,153.0
Grand total	240,847.2	112,795.8	353,643.0

U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946–84

[In millions of dollars]

Country	Economic assistance	Military assistance	Total
A. Near East and South Asia	50,146.1	41,673.8	91,819.9
Afghanistan	537.0	5.6	542.6
Bahrain	2.4	.....	2.4
Bangladesh	1,989.4	1.4	1,990.8
Bhutan	3.6	.....	3.6
Cyprus	208.3	.....	208.3
Egypt	10,519.0	5,648.1	16,167.1
Greece	1,910.3	4,874.3	6,784.6
India	11,041.9	146.7	11,188.6
Iran	765.6	1,404.8	2,170.4
Iraq	45.5	50.0	95.5
Israel	8,851.0	19,104.2	27,955.2
Jordan	1,488.2	1,265.7	2,753.9
Lebanon	279.5	263.8	543.3
Nepal	333.1	2.5	335.6
Oman	54.0	150.3	204.3
Pakistan	5,857.5	1,275.8	7,133.3
Saudi Arabia	31.8	292.4	324.2
Sri Lanka	825.5	6.2	831.7

U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946–84—Continued

[In millions of dollars]

Country	Economic assistance	Military assistance	Total
A. Near East and South Asia—Continued			
Syria	581.9	0.1	582.0
Turkey	3,920.3	7,154.2	11,074.5
Yemen Arab Republic	228.2	27.5	255.7
Yemen, Peoples Democratic Republic of	4.5	.....	4.5
Central Treaty Organization (CENTO)	39.6	.....	39.6
Near East and South Asia Regional	628.2	*	628.2
B. Latin America	16,128.7	3,037.3	19,166.0
Argentina	199.4	263.6	463.0
Bahamas	0.3	.....	0.3
Barbados	3.7	0.3	4.0
Belize	35.4	0.6	36.0
Bolivia	922.9	81.0	1,004.0
Brazil	2,428.4	640.0	3,068.4
Chile	1,180.6	217.0	1,397.6
Colombia	1,383.0	278.0	1,661.0
Costa Rica	716.4	22.9	739.3
Cuba	4.0	16.1	20.1
Dominican Republic	929.3	68.2	997.5
Ecuador	493.2	131.3	624.5
El Salvador	1,021.6	418.1	1,439.7
Grenada	48.4	0.1	48.5
Guatemala	529.6	41.5	571.1
Guyana	112.8	0.1	112.9
Haiti	436.6	8.7	445.3
Honduras	632.2	198.5	830.7
Jamaica	613.4	12.4	625.8
Mexico	362.2	15.4	377.6
Nicaragua	387.8	32.4	420.2
Panama	466.5	39.6	506.1
Paraguay	197.0	30.4	227.4
Peru	1,059.1	267.6	1,326.7
Suriname	6.4	0.1	6.5
Trinidad and Tobago	40.9	.....	40.9
Uruguay	161.9	89.4	251.3
Venezuela	201.9	152.4	354.3
Other West Indies-Eastern Caribbean Regional	403.1	11.5	414.6
Regional Office Central America and Panama—ROCAP	356.6	.....	356.6
Latin America Regional	794.4	0.1	794.5
C. East Asia	28,325.4	38,161.5	66,486.9
Burma	163.1	89.2	252.3
China, Peoples Republic of	2.3	.....	2.3
Hong Kong	43.8	.....	43.8
Indochina	825.6	731.5	1,557.1
Indonesia	3,215.2	585.6	3,800.8
Japan	2,711.1	1,239.7	3,950.8
Kampuchea	913.0	1,280.3	2,193.3
Korea	6,048.7	8,391.3	14,440.0
Laos	904.1	1,606.7	2,510.8
Malaysia	92.2	185.1	277.3
Philippines	2,506.7	1,258.6	3,765.3
Ryukyu Islands	413.7	.....	413.7
Singapore	2.8	19.3	22.1

U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946–84—Continued

[In millions of dollars]

Country	Economic assistance	Military assistance	Total
C. East Asia—Continued			
Taiwan	2,206.9	4,360.4	6,567.3
Thailand	877.4	1,997.7	2,875.1
Vietnam	6,947.2	16,416.1	23,363.3
Western Samoa	13.6	.....	13.6
East Asia Regional	438.0	.....	438.0
D. Africa	12,171.4	2,290.7	14,462.1
Algeria	203.3	.....	203.3
Angola	18.8	.....	18.8
Benin	62.8	0.1	62.9
Botswana	184.4	15.6	200.0
Burkina Faso	214.8	0.7	215.5
Burundi	53.1	0.2	53.3
Cameroon	156.1	22.0	178.1
Cape Verde	61.3	0.1	61.4
Central African Republic	25.5	0.2	25.7
Chad	92.5	2.2	94.7
Comoros	3.3	.....	3.3
Congo, Republic of	18.1	0.1	18.2
Djibouti	21.5	3.9	25.4
East Africa	33.3	.....	33.3
Entente States	38.3	.....	38.3
Equatorial Guinea	5.3	0.1	5.4
Ethiopia	407.6	280.2	687.8
Gabon	18.0	15.6	33.6
Gambia	46.5	.....	46.5
Ghana	461.3	2.3	463.6
Guinea	191.0	2.6	193.6
Guinea-Bissau	32.5	0.1	32.6
Ivory Coast	47.6	0.5	48.1
Kenya	536.3	194.6	730.9
Lesotho	163.6	.....	163.6
Liberia	559.9	65.4	625.3
Libya	212.5	17.6	230.1
Madagascar	65.4	0.1	65.5
Malawi	100.1	0.4	100.5
Mali	212.9	3.7	216.6
Mauritania	114.4	0.2	114.6
Mauritius	45.7	.....	45.7
Morocco	1,276.7	553.5	1,830.2
Mozambique	94.4	.....	94.4
Niger	207.8	9.7	217.5
Nigeria	406.5	1.8	408.3
Portuguese Territories in Africa	3.4	.....	3.4
Rwanda	67.4	1.7	69.1
Sao Tome and Principe	3.6	.....	3.6
Senegal	274.2	14.7	288.9
Seychelles	11.6	.....	11.6
Sierra Leone	119.2	0.1	119.3
Somalia	466.3	129.4	595.7
South Africa, Republic of	1.3	.....	1.3
Sudan	815.8	257.3	1,073.1
Swaziland	79.8	0.1	79.9
Tanzania	343.2	.....	343.2
Togo	84.0	0.2	84.2
Tunisia	985.3	501.8	1,487.1

U.S. ECONOMIC AND MILITARY ASSISTANCE: DETAIL BY REGION AND COUNTRY—FISCAL YEARS 1946–84—Continued

[In millions of dollars]

Country	Economic assistance	Military assistance	Total
D. Africa—Continued			
Uganda	87.0	0.2	87.2
Zaire	802.7	191.6	994.3
Zambia	305.4	.....	305.4
Zimbabwe	244.5	0.3	244.8
Central and West Africa Regional	242.7	.....	242.7
Southern Africa Regional-OSARAC	161.7	.....	161.7
Africa Regional	679.0	.....	679.0
E. Europe	28,906.7	17,496.1	46,402.8
Albania	20.4	.....	20.4
Austria	1,135.2	121.8	1,257.0
Belgium/Luxembourg	592.3	1,275.2	1,867.5
Czechoslovakia	193.0	.....	193.0
Denmark	281.9	640.1	922.0
Finland	56.8	0.4	57.2
France	3,918.1	4,548.6	8,466.7
Germany, Democratic Republic of	0.8	.....	0.8
Germany, Federal Republic of	4,041.1	939.4	4,980.5
Hungary	32.7	.....	32.7
Iceland	82.2	0.1	82.3
Ireland	146.5	.....	146.5
Italy	3,418.9	2,545.3	5,964.2
Malta	83.9	0.5	84.4
Netherlands	1,027.6	1,284.7	2,312.3
Norway	301.8	943.9	1,245.7
Poland	667.8	.....	667.8
Portugal	948.0	824.4	1,772.4
Romania	22.4	.....	22.4
Spain	1,108.0	2,541.3	3,649.3
Sweden	109.0	.....	109.0
United Kingdom	7,672.1	1,107.5	8,779.6
U.S.S.R.	186.4	.....	186.4
West Berlin	131.9	.....	131.9
Yugoslavia	2,109.1	723.1	2,832.2
European Regional	619.0	.....	619.0
F. Oceania	906.0	120.2	1,026.2
Australia	8.0	115.6	123.6
New Zealand	4.3	4.3	8.6
Pacific Islands	824.2	.....	824.2
Papua New Guinea	2.4	0.1	2.5
Oceania Regional	67.2	0.2	67.4
G. Canada	17.5	13.0	30.5
H. Interregional	37,535.7	4,202.4	41,738.1

NOTES

(1) Information as of September 30, 1984.

(2) Basic data (fiscal years 1946–84) taken from "U.S. Overseas Loans and Grants and Assistance From International Organizations," a publication of the Agency for International Development. See this publication for explanation and detail.

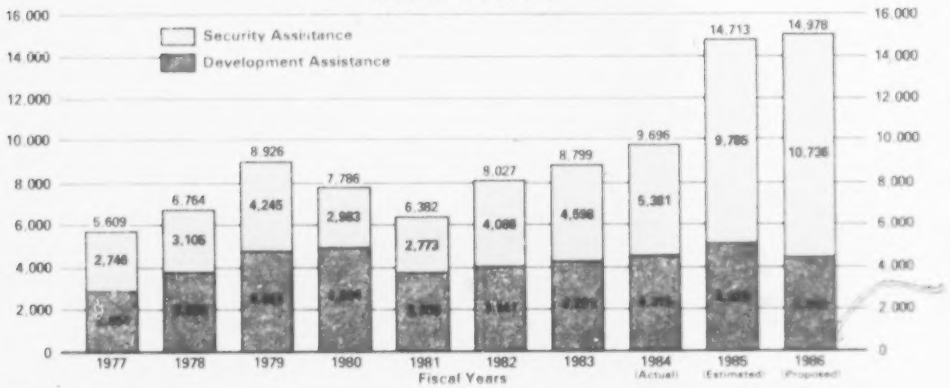
(3) Through September 30, 1984, repayments and interest of both economic and military loans total $43,520,000,000. In addition, it is estimated that $763,200,000 will be repaid on AID loans in fiscal year 1985.

*Less than $50,000.

HISTORICAL APPROPRIATIONS FOR FOREIGN ASSISTANCE AND RELATED PROGRAMS

Although appropriations for those activities authorized under the Foreign Assistance Act and related authorizing legislation comprise only a portion of the total U.S. foreign assistance effort, they are the largest and most important part. Food aid authorized under Public Law 480 is the only major foreign aid program omitted from this compilation. Therefore, the Committee presents a graph of Foreign Assistance Act and related programs appropriations for fiscal years 1977 through 1986.

Foreign Assistance and Related Programs Appropriations
FY 1977 — FY 1986
(Millions of Dollars)



Notes:

Security Assistance consists of Military Assistance Program Grants, International Military Education and Training, Foreign Military Credit Sales, Indochina Postwar Reconstruction, Security Supporting Assistance, Economic Support Fund, Peacekeeping Operations, Middle East Special Requirements Fund, Relocation of Facilities in Israel, Sinai Support Mission, and Anti-terrorism Assistance.

Development Assistance consists of Functional Development Assistance, International Organizations and Programs, International Financial Institutions, American Schools and Hospitals Abroad, International Disaster Assistance, Migration and Refugee Assistance, Peace Corps, Foreign Service Retirement Fund, International Narcotics Control, Contingency Fund and other assistance programs.

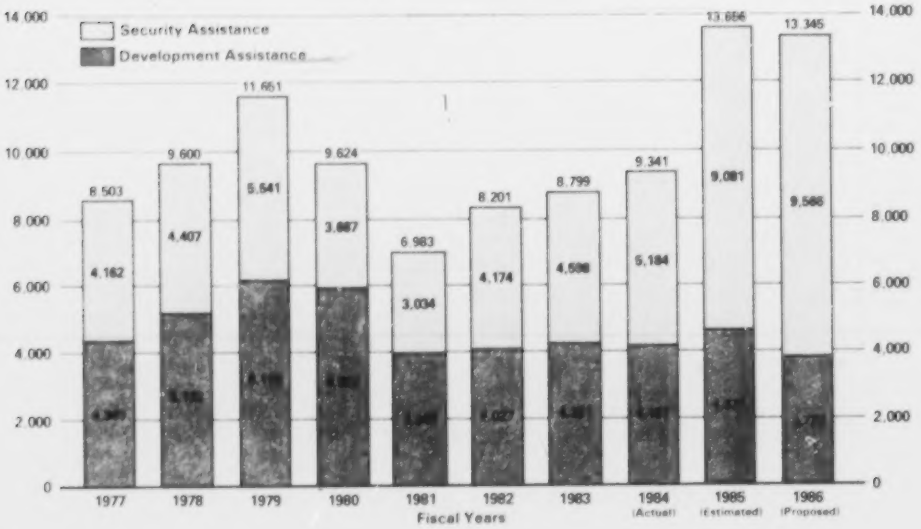
Development Assistance includes appropriations of callable capital for the Multilateral Development Banks: FY 1977 — $386 million; FY 1978 — $822 million; FY 1979 — $883 million; FY 1980 — $1,783 million. No funds were appropriated for callable capital in FY 1981 to FY 1985. Data exclude IMF Supplementary Financing Facility.

Detail may not add to totals due to rounding.

A second graph shows this same information in constant dollars for fiscal years 1977–86.

Foreign Assistance and Related Programs Appropriations In Constant Dollars[1/] FY 1977 – FY 1986

(Millions of Dollars)

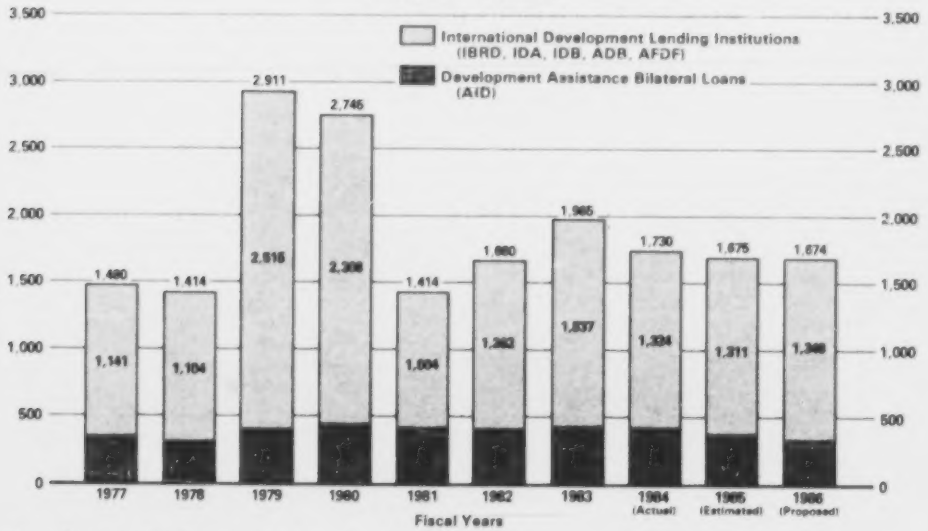


1/ 1983 dollars

OVERALL DEVELOPMENT LENDING

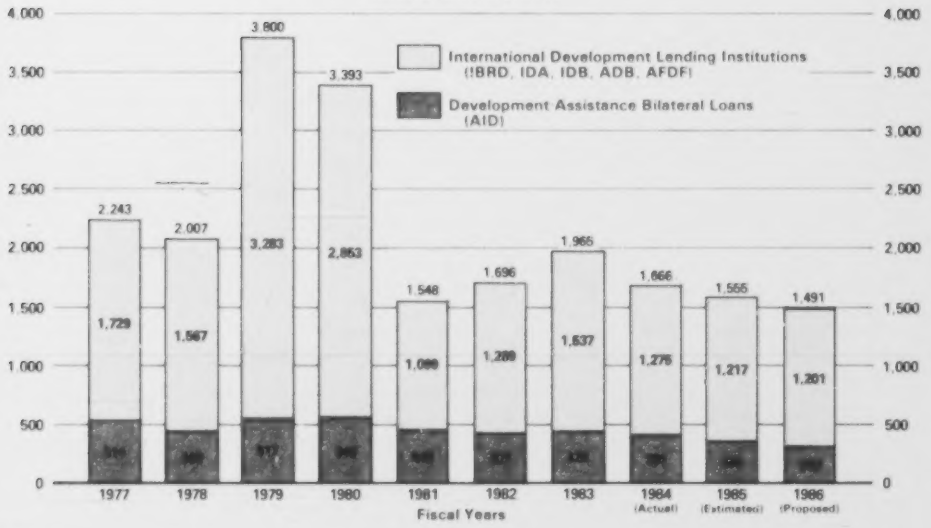
The following graphs depict appropriations for both the bilateral and multilateral programs over the last 10 years in current and constant dollars.

Appropriations for Development Lending
FY 1977 — FY 1986
(Millions of Dollars)



Source: Department of the Treasury and the Agency for International Development

Appropriations for Development Lending
In Constant Dollars[1/]
FY 1977 – FY 1986
(Millions of Dollars)



1/ 1983 dollars

NATIONS MOST IN NEED OF ASSISTANCE

The following table lists the total dollar assistance per country of the Agency for International Development's program by ascending per capita gross national product. Also shown by this table is the cumulative percent of the Agency's program. Following the table is a map which is designed to show those countries most in need of assistance as measured in terms of their per capita gross national product. Obviously, this map is not drawn to show need based on political or security criteria.

AGENCY FOR INTERNATIONAL DEVELOPMENT, TOTAL DOLLAR ASSISTANCE PER COUNTRY LISTED BY PER CAPITA GROSS NATIONAL PRODUCT

[Dollars in thousands]

Bureau/Country	GNP per capita (1983)	Fiscal year 1984 actual		Fiscal year 1985 estimate		Fiscal year 1986 proposed	
		Dollar level	Cumulative percent	Dollar level	Cumulative percent	Dollar level	Cumulative percent
Chad[1]	80	$6,500		$13,725		$14,000	
Bangladesh	130	77,029		85,000		78,000	
Ethiopia	140	0		0		0	
Mali[1]	150	11,200		12,000		10,000	
Zaire	160	20,996		33,294		34,500	
Nepal	170	14,066		17,606		15,000	
Burkina Faso[1]	180	40		1,790		1,940	
Guinea-Bissau	180	2,040		2,500		2,000	
Burma	180	12,200		15,000		13,000	
Equatorial Guinea	180	1,000		1,000		1,000	
Malawi	210	7,600		9,700		10,000	
Uganda	220	9,000		7,800		8,000	
Tanzania	240	1,190		0		0	
Niger	240	24,612		25,000		24,000	
Burundi	240	3,661		4,300		4,300	
Somalia	250	49,940		50,740		53,500	
India	260	87,500		85,000		85,000	
Rwanda	270	4,800		6,238		6,500	
Central African Republic	280	1,200		2,000		2,000	
Togo	280	3,900		3,100		3,300	
China	290	0		0		0	
Benin	290	0		0		0	
Madagascar	290	0		5,000		5,000	
Gambia	290	3,737		4,000		4,000	
Guinea	300	1,650		2,600		4,000	
Sao Tome	310	0		300		300	
Ghana	320	0		1,000		3,000	
Haiti	320	25,738		30,700		30,300	
Sri Lanka	330	44,735		36,865		32,000	
Kenya	340	53,299		42,000		56,700	
Comoros	340	780		400		700	
Cape Verde[1]	360	2,000		2,000		2,000	

See footnote at end of table

AGENCY FOR INTERNATIONAL DEVELOPMENT, TOTAL DOLLAR ASSISTANCE PER COUNTRY LISTED BY PER CAPITA GROSS NATIONAL PRODUCT—Continued

[Dollars in thousands]

Bureau/Country	GNP per capita (1983)	Fiscal year 1984 actual		Fiscal year 1985 estimate		Fiscal year 1986 proposed	
		Dollar level	Cumulative percent	Dollar level	Cumulative percent	Dollar level	Cumulative percent
Mozambique	376	8,000		13,000		17,000	
Sierra Leone	380	1,000		1,300		1,400	
Pakistan	390	225,000		250,000		275,000	
Sudan	400	140,781		142,000		143,000	
Subtotal		845,194	21.27	906,958	17.83	940,440	26.14
Mauritania	440	3,390		8,862		3,000	
Senegal	440	32,885		35,000		35,000	
Kiribati	460	0		0		0	
Liberia	470	47,961		57,122		63,000	
Lesotho	470	10,014		10,300		10,000	
Yemen	510	27,392		29,074		29,000	
Bolivia	510	13,020		10,550		17,850	
Buyana	520	0		0		0	
Indonesia	560	74,602		65,230		60,000	
Zambia	580	21,322		15,000		22,500	
Solomon Islands	640	0		0		0	
Honduras	670	70,995		196,312		125,000	
Egypt	700	852,949		815,000		815,000	
El Salvador	710	161,295		383,000		299,800	
Ivory Coast	720	0		0		0	
Zimbabwe	740	40,000		28,000		28,000	
Morocco	750	26,435		34,245		41,500	
Nigeria	760	0		0		0	
Philippines	760	82,120		175,400		131,000	
Tonga	780	0		0		0	
Papua NG	790	0		0		0	
Cameroon	800	22,468		20,500		21,500	
Subtotal		2,332,042	58.68	2,790,553	54.87	2,642,590	73.45
Thailand	810	31,603		28,500		27,000	
St. Vincent	860	0		0		0	
Swaziland	890	5,690		7,597		7,700	
Nicaragua	900	0		0		0	
Botswana	920	10,800		10,000		10,000	
Djibouti	934	3,000		3,500		5,000	
Dominica	970	0		0		0	
Grenada	990	46,966		8,032		0	
Costa Rica	1,020	145,400		179,596		164,350	
Peru	1,040	18,945		24,246		69,560	
St. Lucia	1,060	0		0		0	
Guatemala	1,120	4,375		69,171		58,000	
Belize	1,140	3,875		21,450		10,800	
Mauritius	1,150	4,000		2,000		4,000	
Turkey	1,230	138,500		175,000		150,000	
Congo	1,230	1,000		1,000		1,000	
Tunisia	1,290	1,540		20,040		22,500	
Jamaica	1,300	87,639		95,500		94,000	
Subtotal		2,835,375	71.35	3,436,185	67.75	3,266,500	90.80

See footnote at end of table.

AGENCY FOR INTERNATIONAL DEVELOPMENT, TOTAL DOLLAR ASSISTANCE PER COUNTRY LISTED BY PER CAPITA GROSS NATIONAL PRODUCT—Continued

[Dollars in thousands]

Bureau/Country	GNP per capita (1983)	Fiscal year 1984 actual		Fiscal year 1985 estimate		Fiscal year 1986 proposed	
		Dollar level	Cumulative percent	Dollar level	Cumulative percent	Dollar level	Cumulative percent
Dominican Republic	1,380	64,346		122,000		80,000	
Paraguay	1,410	180		0		0	
Colombia	1,410	0		0		0	
Ecuador	1,430	11,468		26,067		40,000	
Jordan	1,710	20,000		20,000		20,000	
Fiji	1,790	0		0		1,500	
Lebanon	1,850	27,778		78,231		10,000	
Chile	1,870	0		0		0	
Malaysia	1,870	0		0		0	
Brazil	1,890	0		0		0	
Korea	2,010	0		0		0	
Argentina	2,030	0		0		0	
Panama	2,070	10,720		74,000		62,600	
Portugal	2,190	40,000		80,000		80,000	
Mexico	2,240	0		0		0	
Algeria	2,400	0		0		0	
Seychelles	2,400	2,000		2,000		2,000	
Uruguay	2,490	0		0		0	
Yugoslavia	2,570	0		0		0	
Suriname	3,520	0		0		0	
Cyprus	3,720	15,000		15,000		3,000	
Barbados	3,930	0		0		0	
Greece	3,970	0		0		0	
Bahamas	4,060	0		0		0	
Venezuela	4,100	0		0		0	
Gabon	4,250	0		0		0	
Spain	4,800	12,000		12,000		12,000	
Israel	5,360	910,000		1,200,000		0	
Oman	6,240	15,000		20,000		20,000	
Italy	6,350	10,000		0		0	
Singapore	6,620	0		0		0	
Trinidad and Tobago	6,900	0		0		0	
Austria	9,210	0		0		0	
Iceland	10,270	0		0		0	
Finland	10,440	0		0		0	
Luxembourg	12,190	0		0		0	
Brunei	21,140	0		0		0	
Country program total		3,973,867	100.00	5,085,483	100.00	3,597,600	100.00
Noncountry programs		1,306,164		1,529,201		1,359,862	
Grand total		5,280,031		6,614,684		4,957,462	

[1] Sahel countries.

NOTES

GNP per capita data from the World Bank Atlas.

Noncountry programs include regional programs, centrally funded programs, AID operating expenses, contributions to the Foreign Service Retirement Fund, International Disaster Assistance, American Schools and Hospitals Abroad, and miscellaneous prior-year accounts.

No GNP per capita figure was available for Poland. Therefore, $9,000,000 for fiscal year 1985 is not included in the above table.

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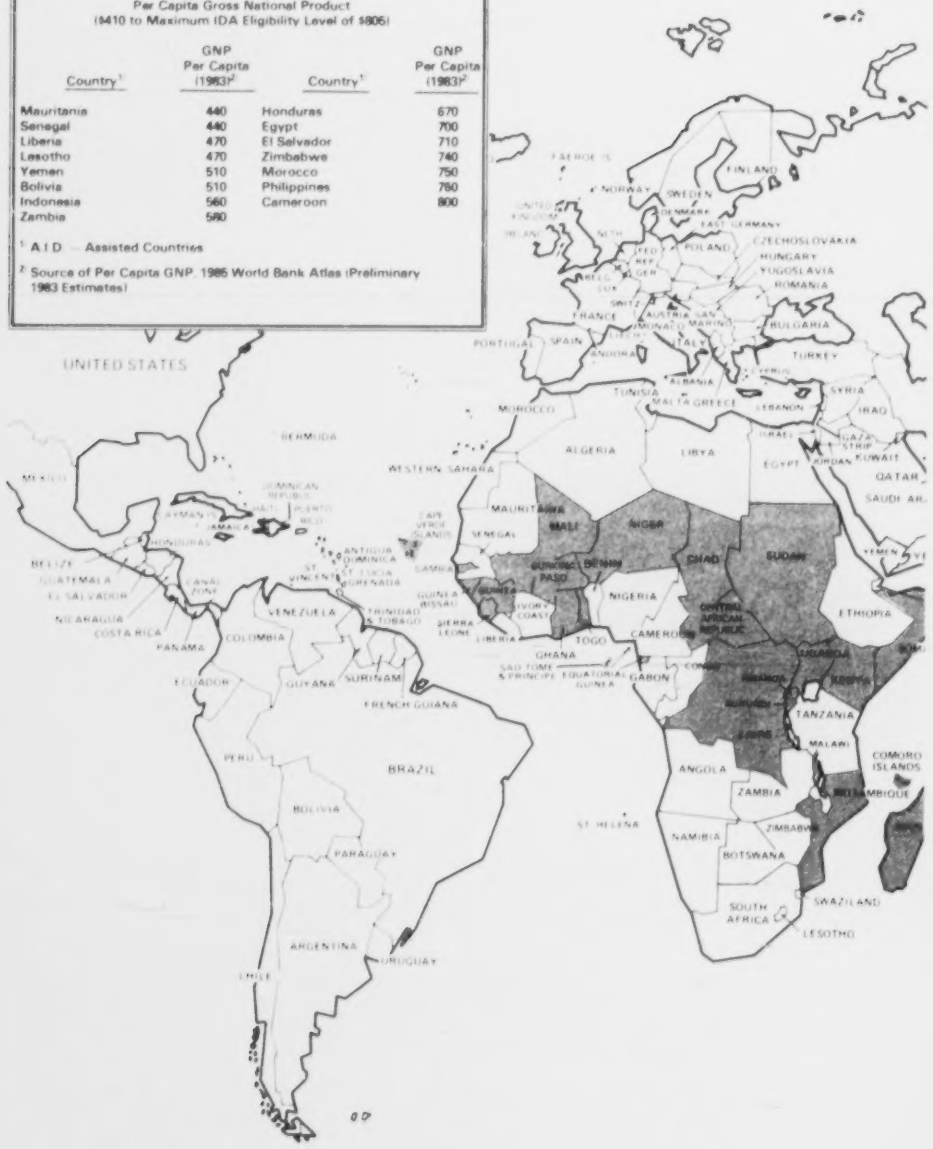
Nations Most in N

Per Capita Gross National Product
($410 to Maximum IDA Eligibility Level of $805)

Country[1]	GNP Per Capita (1983)[2]	Country[1]	GNP Per Capita (1983)[2]
Mauritania	440	Honduras	670
Senegal	440	Egypt	700
Liberia	470	El Salvador	710
Lesotho	470	Zimbabwe	740
Yemen	510	Morocco	750
Bolivia	510	Philippines	760
Indonesia	560	Cameroon	800
Zambia	580		

[1] A I D — Assisted Countries

[2] Source of Per Capita GNP: 1985 World Bank Atlas (Preliminary 1983 Estimates)



eed of Assistance

Per Capita Gross National Product (with and Less)

Country*	GNP Per Capita (1983)	Country*	GNP Per Capita (1983)
Chad	80	Central African Rep.	280
Bangladesh	130	Togo	280
Mali	150	Madagascar	290
Zaire	150	Gambia	290
Nepal	170	Guinea	300
*Burkina Faso	180	Sao Tome	310
Guinea-Bissau	190	Ghana	320
Burma	190	Haiti	320
Equatorial Guinea	190	Sri Lanka	330
Malawi	210	Kenya	330
Uganda	220	Comoros	340
Niger	240	Cape Verde	340
Burundi	240	Mozambique	370
Somalia	250	Sierra Leone	380
India	260	Pakistan	380
Rwanda	270	Sudan	400

*"Burkina Faso" formerly "Upper Volta"

Non-Communist Countries with Per Capita Gross National Product of $410 or Less in 1983

Source: *1985 World Bank Atlas (Preliminary 1983 Estimates)*

DEVELOPMENT LOAN TERMS

For the past several years, the Committee has recommended that development assistance loans be provided at differing maturities set in accordance with the per capita gross national product [GNP] of recipient countries. For example, concessional loans provided in fiscal year 1985 to countries having a per capita GNP greater than $805 but less than $1,301 were to be repaid within 25 years, whereas countries having a per capita GNP in excess of $1,301 were to repay the development loans within 20 years. The Committee thought it appropriate for concessionality in development assistance lending to reflect the recipients ability to retire its obligations as measured by per capita GNP.

The Committee has now concluded that per capita GNP, while a relevant factor in determining ability to repay loans, is an insufficient measure of any one country's ability to service debt. Many countries now face economic and financial instability because of the bunching of short-term debt payments with payments on long-term development assistance loans. Repayment schedules on total outstanding debt may require sharply higher repayments in one year as compared to the next. The profile of debt repayment schedules is an important factor to be considered when making judgments regarding the ability to repay loans.

Indeed, the Committee has determined that there are numerous factors which affect any one country's ability to service debt. Some of these factors, not the least of which is the debtor country's ability to earn hard currency through trade with the United States and other developed countries, are beyond the control of concessional borrowers.

The Committee has, therefore, concluded that it is no longer appropriate to set development loan repayment terms with reference to per capita GNP alone. Consequently, the Committee recommends that this provision no longer be included in foreign assistance appropriations legislation.

EXPROPRIATION CLAIMS

The Committee directs the Department of State to prepare a report on the status of all pending expropriation claims of U.S. citizens and corporations. Included in this report should be a detailed explanation of what specific action has occurred on those cases which have been enumerated in previous reports requested by the Committee. Where no action has occurred, an explanation should be given of that inaction.

This report is to be submitted no later than February 1, 1986.

UNLIQUIDATED BALANCES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Below is a table showing the unliquidated balances of the Agency for International Development.

UNLIQUIDATED BALANCES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

(As of December 31, 1984)

[In thousands of dollars]

Development assistance:	
Functional development assistance:	
Agriculture, rural development, and nutrition	1,914,360
Population planning	326,640
Health	424,701
Education and human resources development	274,155
Selected development activities	308,713
Development Loan Fund	381
Undistributed	(225,815)
Subtotal functional development assistance	3,023,135
International fund for agricultural development	60,560
American schools and hospitals abroad	26,622
Operating expenses	108,583
Prototype desalting plant	4,404
International disaster assistance	233,452
Sahel Development Program	235,160
Contingency fund, general	13
Private sector revolving fund	14,500
African Development Program	(15)
Trade and development programs	16,539
Assistance to Portugal and Portuguese colonies	75
Total, development assistance	3,723,028
Security assistance:	
Indochina postwar reconstruction	1,120
Security supporting assistance	137,766
Economic Support Fund	3,397,251
Peacekeeping operations	17
Middle East Special Requirements Fund	26,145
Total, security assistance	3,562,299
Total unliquidated balances	7,285,327
Less: Accrued expenditures	637,622
Total Agency pipeline	6,647,705

REPROGRAMMING AND INITIATION OF NEW PROGRAMS

The Committee's responsibilities require that it be fully informed as to the nature, funding level, and location of each activity, program, project, country, type of materiel assistance, or other operation for which funds are appropriated in this bill.

Any activity, program, project, country, type of materiel assistance, or other operation specifically set forth by amount to be obligated in fiscal year 1986, and by country in the fiscal year 1986 Congressional Presentation Document shall be deemed to have been justified and the Committee informed. Conversely, any activity, program, project, country, type of materiel assistance, or other operation not specifically set forth by amount to be obligated in fiscal year 1986, and by country in the fiscal year 1986 Congressional Presentation Document shall be deemed not to have been justified and the Committee not informed. In addition, any matter specifically deleted by the Committee in this report shall be deemed not to have been justified for purposes of reprogramming requirements.

Particularly, but not exclusively, the Committee regards those items presented by the Agency for International Development as "additional program requirements" as not having been justified.

In furtherance of the Committee's oversight responsibilities, it directs that the departments and agencies concerned notify the chairman of the Committee 15 days in advance of the initiation of any activity, program, project, type of materiel assistance, or other operation which was not specifically set forth by amount to be obligated in fiscal year 1986, and by country, in the fiscal year 1986 Congressional Presentation Document. In addition, notification should also be made before exceeding the amounts specified for such activity, program, project, country, type of materiel assistance, or other operation in the Congressional Presentation Document for obligation in fiscal year 1986.

Moreover, the Committee desires to likewise be informed about any reductions or cancellations of projects or programs presented in the Congressional Presentation Document. Whenever possible, the Committee should be notified of any reduction or cancellation; at a minimum, the Committee expects to be informed about such reductions or eliminations on a quarterly basis. These quarterly reports should be submitted to the chairman of the Committee and to the chairman and ranking minority member of the Foreign Operations Subcommittee.

The procedures and requirements described above are vitally important and necessary in order for the Committee to effectively carry out its oversight responsibilities. Indeed, without these procedures, in many cases, the Committee would not be able to confidently insure that con-

gressional mandates are, in fact, being carried out. Any deviation from these procedures by the administration will not be tolerated.

The Committee again reminds the Agency for International Development that the Committee expects to receive the quarterly reports on "Reductions or Cancellations of Projects or Programs" in a timely fashion.

The Committee is concerned over the lack of information provided in the Congressional Presentation Document entitled "Security Assistance Programs" and the effect that lack of information has on the reprogramming process. Basically, the problem is that programs are so vaguely described that nearly any activity can be carried out without congressional notification. The Committee directs the Department of State and the Defense Security Assistance Agency to present a working draft of the fiscal year 1987 Congressional Presentation Document to the Committees on Appropriations by December 1, 1985. The Committees will work with the Department and the DSAA to develop a more comprehensive congressional presentation document which contains all of the information required by Congress.

CONSTRAINTS ON FOREIGN ASSISTANCE PROGRAMS UNDER THE BUDGET RESOLUTION FOR FISCAL YEAR 1986

The budget resolution for fiscal year 1986 has called for a significant reduction in budget authority for programs contained in this legislation. Total budget authority for programs in the foreign assistance legislation for fiscal year 1985 was $20,890,403,072. The budget resolution for fiscal year 1986 recommended $15,000,000,000, a 26-percent reduction. While the $15,200,000,000 section 302(b) allocation is somewhat higher, additional reductions will be required to requested foreign assistance programs because the administration did not request any funding for the direct loan program of the Export-Import Bank, the only item specifically mentioned in the budget resolution for inclusion in this legislation. That particular program likewise has the strong support of the Appropriations Committee. Therefore, in order to provide for new direct loan authority as called for in the budget resolution, the Committee would have to make reductions totaling $1.2 billion in other requested programs. The Committee is suggesting a different approach, as discussed under the Export-Import Bank chapter.

PRIORITIES UNDER REDUCED FUNDING AVAILABILITY FOR FOREIGN ASSISTANCE

Given the fact that the budget resolution, as discussed above, will require some reductions, the Committee has been called upon to make a judgment with respect to which programs should have a higher priority for funding under these constraints. One possible solution to this problem would be to suggest an across-the-board percentage cut, but such an approach assumes that all programs under this legislation are of equal importance—obviously they are not.

First of all, because foreign assistance is probably the major tool in our bilateral relations with various countries around the world, surely our bilateral assistance should, therefore, be given a higher priority as compared to multilateral assistance. While multilateral assistance is important, the national interest requires that first priority be given to bilateral programs.

Second, while it is little understood by many, our foreign assistance program is largely tied to direct U.S. security interests. Even development assistance has a security element to it, as by providing development assistance, we hope to promote stability, and stability in nearly every part of the world is a security concern for the United States. More directly related to U.S. security interests, however, are programs which are provided as a direct result of base rights and access agreements—most of these programs being funded under the military as-

sistance and the Economic Support Fund accounts. These programs should obviously be given first priority among bilateral programs.

Therefore, the Committee's general funding recommendations lean toward the bilateral assistance programs. Because the reductions contained in this legislation lean more heavily on multilateral programs does not mean, however, that these programs do not deserve support or that they are not important. Indeed, they are, but we are in a situation where choices have to be made and clearly the priorities are elsewhere.

AFRICA

During the best of times the continent of Africa lives on the edge of survival. During the worst of times, which on this continent seems to occur much more frequently than anywhere else in the world, day to day life depends too often on the generosity of the rest of the world as major portions of the continent of Africa suffer drought, desertification, environmental degradation, and other problems which sap what little resources are available to this vast continent. In recent years, we have seen nearly all of the countries of this continent suffer at one time or another from drought, most recently especially the countries of Sudan and Ethiopia. Nature has surely been their enemy, but in many instances, both in these two countries as well as elsewhere, policies of governments have also proved to be enemies.

The response of the U.S. Government, as well as the response—indeed, especially the response—of the American people has been overwhelming. The United States remains in the forefront both with the provision of disaster assistance, as well as support of programs which seek to solve long-term problems from Morocco to Lesotho and from Senegal to Kenya. The recommendations contained in this legislation continue to reflect concern over the long-term development of the African continent.

The Committee is suggesting full funding for the African Development Fund, the restoration of bilateral assistance programs, as well as restoration of important U.N. programs. The Committee notes, however, that the multilateral response to the long-term needs of Africa has so far been confused due to factions quarreling for available funding. Some development assistance advocates insist that World Bank programs are the solution; others suggest that the projects of the International Fund for Agricultural Development are a better answer. Some have suggested that the answer to this competition is simply to provide both organizations with significant amounts of funding.

The Committee does not believe such a course is the best use of either U.S. taxpayers' funds, nor of scarce funding which is available for assistance to Africa. Therefore, the Committee calls on the administration to provide an assessment of the long-term approaches required, so that the Committee can consider supplemental funding for long-term programs for economic development in Africa. The Committee expects this report no later than March 1, 1986.

RATIO OF SECURITY AND DEVELOPMENT ASSISTANCE IN U.S. FOREIGN ASSISTANCE PROGRAM

In recent years some have argued that as a matter of policy, development assistance and security assistance should have some sort of relation to each other, each growing or shrinking equally from year to year. Examination of the history of the Foreign Assistance Program since 1946 shows a widely varying ratio of security to economic assistance, depending upon the needs of the times. That is the way it should be. To argue that, instead, there should as a matter of policy be some artificial relationship between the two different types of assistance simply makes no sense. The U.S. Foreign Assistance Program is composed of programs which seek to alleviate real problems in the real world. It is based not only on the national interest, but also on the interest of countries we are trying to assist. Nonetheless it is worth looking at the actual allocation of assistance as there has been a great deal of misinformation disseminated on this issue, especially with respect to amounts of development assistance which the United States has provided since fiscal year 1981. The Committee believes that the table at the end of this discussion accurately illustrates the programs which make up U.S. foreign assistance and which are covered by this legislation.

First of all, it is simply wrong to lump all of the Economic Support Fund under security assistance rather than partially under development assistance. Child feeding programs in the slums of Cairo or primary rural health care in Lesotho are as much development assistance as similar programs which are funded under the functional accounts of the Agency for International Development. In the case of Egypt and Lesotho, however, the source of funds is the Economic Support Fund.

Indeed, fully one-third of the Economic Support Fund is development assistance—in fiscal year 1986, that would be $1,332,000,000—yet those who are wont to discuss this issue do not include these funds in the category to which they belong. Additionally, while unquestionably the security assistance programs have grown over the last several years—the Committee has supported that growth—much of it comes from growth in programs going to two countries—Israel and Egypt. Thus, if the Israel and Egypt programs are segregated, you get an entirely different picture. While some would argue that the United States should not have increased programs for those two countries, this Committee continues to strongly support programs designed to further peace in the Middle East.

The more realistic table showing the changes from fiscal year 1981 to the proposed fiscal year 1986 program is as follows:

U.S. FOREIGN ASSISTANCE

[In billions of dollars]

	Fiscal year 1981 actual		Fiscal year 1986 request	
	Actual	Percent of total	Request	Percent of total
Development assistance[1]	4.300	48.4	5.630	38.0
Security assistance				
Economic Support Fund	1.400	15	2.670	18
(Of which for Israel and Egypt)[2]	(1.285)		(1.744)	
Military assistance	3.200	36	6.700	45
(Of which for Israel and Egypt)	(1.925)		(3.100)	
Subtotal	4.600	51.6	9.370	62
Grand total	8.900		15.000	

[1] Includes multilateral banks, international organizations and all bilateral economic assistance, including one-third of Economic Support Fund.

[2] Excludes one-third of Egyptian program already included under development assistance.

HOUSE OF REPRESENTATIVES CONSIDERATION OF FOREIGN ASSISTANCE APPROPRIATIONS LEGISLATION FOR FISCAL YEAR 1986

The Senate Appropriations Committee delayed action on the foreign assistance legislation pending completion of House action on this legislation. It now appears unlikely that this legislation, reported by the House Committee on Appropriations on August 1, 1985, will be considered on the floor of the House. Therefore, the Committee is compelled to go ahead with a Senate bill. In several instances in this report, the Committee does refer to House Committee action, and in the tables which head the discussion of each account, the amounts listed for the House are those as reported by the House Committee.

TITLE I

MULTILATERAL ECONOMIC ASSISTANCE

MULTILATERAL DEVELOPMENT BANKS

THE ENVIRONMENT AND ECONOMIC DEVELOPMENT IN MULTILATERAL DEVELOPMENT BANK POLICIES

The Committee recognizes that the environmental consequences of poorly conceived and executed development projects have both significant localized and international environmental impacts. The Committee is deeply concerned that the multilateral development banks have not adequately considered the potential unacceptable environmental consequences of many of the projects that are selected for funding.

The health of tropical rainforests, semiarid grassland savannas, and major river arteries are not only essential components of local ecosystems, but critical to the ecology of the region and entire world. In addition, each of these systems plays a critical role in regulating climatic and water cycles. The destruction of these natural systems may have far-reaching implications that are not limited to localized impacts.

The Committee recognizes that any project which destroys or severely damages the resource base of an area will likely become an economic failure. In such cases, well-intended economic development projects frequently can be counter-productive and instead of promoting economic growth can lead to an economic decline. Furthermore, once the resource base has been destroyed, prospects for future economic development are made even worse than before a project is initiated.

Development projects that do not adequately consider the capabilities of local ecosystems have a high percentage of failure. Frequently, the MDB's have funded development projects that are not compatible with local environmental and social conditions. Those projects overtax the capabilities of those resources and may lead to a collapse of the resource. As the environmental resources of a region are destroyed the economic resources decline. Once environmental and economic resources have been destroyed or severely damaged the prospects for future economic growth are made far worse.

The Committee insists that review processes to select future economic development projects recognize that economic development and prevention of human suffering are directly tied to the protection of local environmental resources.

For 2 years this Committee has suggested that the MDB's establish criteria to use in selecting and reviewing projects to assure sensitivity to

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local land use capability. To its credit, the Department of the Treasury has now taken an interest in these issues and has been pressing these matters in the banks. However, the MDB's have fallen short of demonstrating adequate progress. Simply preparing policies for environmental protection is not sufficient to meet the Committee's objections. The Committee expects a commitment to those policies to be demonstrated through the allocation of necessary resources to fully implement the necessary safeguards. The Committee emphasizes that it will continue to evaluate the product of lending policies, not simply the creation of policy documents.

The Committee has included bill language requiring the Secretary of the Treasury to instruct the U.S. Executive Directors of the multilateral development banks to promote the addition of professionally trained staff to undertake environmental reviews of proposed and ongoing projects at the regional level.

The Committee does not anticipate the creation of a new level of bureaucracy to review projects, but to simply hire staff that have been formally trained in environmental disciplines and including their review of projects as a regular step in project assessment.

The Committee is concerned that pressure by the United States to institute environmental review processes as part of project selection will not be sufficient to assure the necessary changes in lending policies. For that reason, the Committee has included bill language directing the U.S. Department of the Treasury and the U.S. Department of State to enter into negotiations with other lending nations to seek support for these U.S. actions. It is the expectation of the Committee that these negotiations will focus on the ability of other nations to place similar pressures on multilateral lending institutions to insist on adequate environmental protection as a component of MDB lending policies.

Finally, the Committee has included bill language directing the Treasury to instruct the U.S. representatives for each bank to call for a special board meeting to review the in-house environmental review process. This board meeting should include a review of the environmental successes and failures of sponsored projects. In addition, the Committee expects this board meeting to focus on internal institutional changes that each institution can make to assure that it does not fund environmentally devastating projects. The reduced funding recommendations contained in this legislation are, in part, due to this overall concern. Increased funding support will only follow when these concerns are adequately addressed.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Appropriation, 1985	$139,722,474
Budget request, 1986	182,870,597
House allowance	151,782,596
Committee recommendation	109,720,549

The administration has requested $182,870,597 in budget authority and $2,105,454,718 in callable capital for the International Bank for Reconstruction and Development for fiscal year 1986. The administration's request consists of:

	Budget authority	Callable capital
1981 general capital increase	$109,720,549	$1,353,220,096
1970 selective capital increase	7,431,116	66,880,044
1984 selective capital increase	65,718,932	685,354,578
Total 1986 request	182,870,597	2,105,454,718

The Committee recommends the appropriation of $109,720,549 in budget authority to provide the fifth of six equal installments to the 1981 general capital increase.

Tables reflecting historical U.S. contributions to the World Bank, as well as the current replenishment of these resources, follow:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ACTUAL U.S. SUBSCRIPTIONS

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	U.S. percent of total
Paid-in	$5,847.2	$1,223.7	20.9
Callable	61,027.6	12,159.6	19.9
Total	66,874.8	13,383.3	20.0

CURRENT REPLENISHMENT

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	United States as a percent of total	Appropriated U.S. share	Appropriated as percent of U.S. share
Paid-in	$2,999.3	$658.3	21.9	$299.2	45.5
Callable	41,032.5	8,149.3	19.9	[1]3,719.8	45.6
Total	44,031.8	8,807.6	20.0	4,019.0	45.6

[1] Subscribed subject to a program limitation; in the event a call were necessary, appropriations would still be required

In addition to the amount recommended to be appropriated, the Committee is including bill language which provides for the subscription of callable capital totaling $1,353,220,096.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Appropriation, 1985	$900,000,000
Budget request, 1986	750,000,000
House allowance	750,000,000
Committee recommendation	750,000,000

The administration's request for fiscal year 1986 represents the second contribution by the United States to the seventh replenishment of IDA. The seventh replenishment calls for total contributions of $9,000,000,000, of which the United States has agreed to contribute $2,250,000,000. The fiscal year 1986 request is the second of three installments.

The Committee is recommending the appropriation of $750,000,000, the budget request.

Tables reflecting historical U.S. contributions to the International Development Association, as well as the current replenishment of IDA, follow:

INTERNATIONAL DEVELOPMENT ASSOCIATION

ACTUAL CONTRIBUTIONS

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	U.S. percent of total
Contribution	$27,992.4	$9,343.0	33.4

CURRENT REPLENISHMENT

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	United States as a percent of total	Appropriated U.S. share	Appropriated as percent of U.S. share
6th replenishment	$12,000	$3,240.0	27.0	$3,090.0	95.4

INTERNATIONAL FINANCE CORPORATION

Appropriation, 1985	
Budget request, 1986	$35,033,000
House allowance	29,077,390
Committee recommendation	35,033,000

The administration's request for the International Finance Corporation in fiscal year 1986 is $35,033,000. This represents the first of five installments to the second capital increase.

The Committee recommends the appropriation of the full budget request.

INTER-AMERICAN DEVELOPMENT BANK

Appropriation, 1985	$236,002,154
Budget request, 1986	143,500,983
House allowance	142,200,983
Committee recommendation	91,000,983

The administration's request for the Inter-American Development Bank in fiscal year 1986 totals $143,500,983. Included in this request is $58,000,983 for paid-in capital, $72,500,000 for the Fund for Special Operations, and $13,000,000 for the Inter-American Investment Corporation. The callable capital request for fiscal year 1986 is $1,230,964,704.

The Committee recommends the appropriation of $91,000,983, of which $38,000,983 is for paid-in capital, $13,000,000 is for the Inter-American Investment Corporation, and $40,000,000 is for the Fund for Special Operations.

Tables reflecting historical U.S. contributions to the Inter-American Development Bank, as well as the current replenishment, follow:

INTER-AMERICAN DEVELOPMENT BANK

ACTUAL SUBSCRIPTIONS/CONTRIBUTIONS

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	U.S. percent of total
Paid-in	$2,073.8	$726.1	35.0
Callable	19,783.3	6,926.7	35.0
FSO	8,230.3	4,340.4	52.7
Total	30,087.4	11,993.2	39.9

CURRENT REPLENISHMENT

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	United States as a percent of total	U.S. share appropriated[1]	Appropriated as percent of U.S. share
Paid-in	$668.3	$232.0	34.7	$38.0	16.4
Callable	14,180.8	4,923.9	34.7	[1]806.5	16.4
FSO	702.6	290.0	41.3	0	0
Total	15,551.7	5,445.9	35.0	844.5	16.4

[1] Subscribed subject to a program limitation; in the event a call were necessary, appropriations would still be required

In addition to the amount recommended for paid-in capital, the Committee is including bill language which will provide for a limitation on the subscription of callable capital totaling $1,230,964,704. The Committee notes that, unlike the other MDB's, the Inter-American Development Bank can utilize the full budget request for callable capital notwithstanding the fact that the Committee is recommending a reduction to the paid-in capital request.

ASIAN DEVELOPMENT BANK

Appropriation, 1985	$204,465,016
Budget request, 1986	143,232,676
House allowance	141,909,408
Committee recommendation	113,232,676

The administration has requested the appropriation of $143,232,676 for fiscal year 1986, $13,232,676 for paid-in capital, and $130,000,000 for the Asian Development Fund; in addition, the administration is requesting $251,367,220 as a limitation on callable capital. The Committee recommends the appropriation of $113,232,676; $13,232,676 for paid-in capital and $100,000,000 for the Asian Development Fund. In addition, the Committee is including bill language which will provide for a limitation on the subscription of callable capital totaling $251,367,220.

The People's Republic of China has based its application for admission to the Asian Development Bank upon administrative changes affecting the designation and status of the Republic of China (Taiwan) within that body.

This is inappropriate since the Republic of China (Taiwan) has demonstrated significant benefit to the Asian Development Bank and has assisted in carrying out its mission over the years. In fact, the Republic of China (Taiwan) has moved from the role of borrower to donor at the Bank.

The Asian Development Bank was established in 1966, with the Republic of China (Taiwan) as one of its founding members. Neither the relationship between the Republic of China (Taiwan) and the Bank, nor the circumstances under which these relations were established, except for its movement from borrower to donor, have changed since then.

This Committee will discontinue its support of the Asian Development Bank if the Republic of China (Taiwan) is prevented from remaining as a full member of the Bank. Its status within the Asian Development Bank must remain unaltered notwithstanding how the issue of the People's Republic of China's application for membership is finally determined. The Committee believes that the President, the Secretary of State, and the Secretary of the Treasury should all express support for the Republic of China (Taiwan), making it clear to everyone that the United States will not countenance attempts to make administrative changes affecting the status of the Republic of China (Taiwan) without the full knowledge and voluntary consent of the Republic of China (Taiwan).

Tables reflecting historical U.S. contributions to the Asian Development Bank, as well as the current replenishment follow:

ASIAN DEVELOPMENT BANK

ACTUAL SUBSCRIPTIONS/CONTRIBUTIONS

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	U.S. percent of total
Paid-in	$1,697.3	$287.7	16.9
Callable	8,227.0	1,394.4	16.9
Asian Development Fund	4,155.1	843.8	20.3
Total	14,079.4	2,525.8	17.9

CURRENT REPLENISHMENT

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	United States as a percent of total	U.S. share appropriated[1]	Appropriated as percent of U.S. share
Paid-in	$404.7	$66.2	16.3	$13.2	19.9
Callable	7,688.8	1,256.8	16.3	[1]251.4	20.0
Asian Development Fund	3,204.6	520.0	16.2	97.0	18.7
Total	11,298.1	1,843.0	16.3	361.6	19.6

[1]Subscribed subject to a program limitation; in the event a call were necessary appropriations would still be required

AFRICAN DEVELOPMENT FUND

Appropriation, 1985	$50,000,000
Budget request, 1986	75,000,000
House allowance	62,250,000
Committee recommendation	75,000,000

The Committee recommends the appropriation of $75,000,000, the budget request.

As mentioned in the first part of this report in a general discussion of African needs, this particular Fund is an important source of resources for concessional development assistance on that continent. Given the horrific problems facing Africa, the Committee believes the fund deserves full funding.

Tables reflecting historical U.S. contributions to the African Development Fund, as well as the current replenishment follow:

AFRICAN DEVELOPMENT FUND

ACTUAL CONTRIBUTIONS

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	U.S. percent of total
Contribution	$2,125.6	$275.0	12.9

CURRENT REPLENISHMENT

[Dollars in millions]

Through fiscal year 1984	Total replenishment (all members)	U.S. share	United States as a percent of total	Appropriated U.S. share	Appropriated as percent of U.S. share
3d replenishment	$1,146.0	$150.0	13.1	$100.0	66.7

AFRICAN DEVELOPMENT BANK

Appropriation, 1985	$17,987,678
Budget request, 1986	17,986,678
House allowance	16,188,910
Committee recommendation	17,986,678

The administration is requesting, and the Committee recommends, the appropriation of $17,986,678 for fiscal year 1986.

In addition to the amount recommended for paid-in capital, the Committee is including bill language which will provide for a limitation on the subscription of callable capital totaling $53,960,036.

Tables reflecting historical U.S. contributions to the African Development Bank, as well as the current replenishment follow:

AFRICAN DEVELOPMENT BANK

ACTUAL SUBSCRIPTIONS

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	U.S. percent of total
Paid-in	$832.5	$36.0	4.3
Callable	2,497.5	107.9	4.3
Total	3,330.0	143.9	4.3

CURRENT REPLENISHMENT

[Dollars in millions]

Through fiscal year 1984	Total	U.S. share	United States as a percent of total	Appropriated U.S. share[1]	Appropriated as percent of U.S. share
Paid-in	$1,215.4	$89.9	7.4	$36.0	40.0
Callable	3,646.2	269.8	7.4	107.9	20.0
Total	4,861.6	359.7	7.4	143.9	20.0

[1] Subscribed subject to a program limitation; in the event a call were necessary appropriations would still be required.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Appropriation, 1985	$358,676,500
Budget request, 1986	196,211,000
House allowance	298,364,800
Committee recommendation	281,360,000

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The appropriations requested under this account are for voluntary contributions and are in addition to the regular assessed U.S. contributions to international organizations. The assessed U.S. contributions to international organizations are shown in the following table:

U.S. ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

[In thousands of dollars]

	Fiscal year 1984 actual	Fiscal year 1985 estimate	Fiscal year 1986 proposed
United Nations and specialized agencies	383,662	360,097	359,008
Inter-American organizations	90,164	88,123	94,337
Regional organizations	34,834	33,071	33,794
Other international organizations	7,132	6,597	8,096
New and provisional organizations (from international conferences and contingencies appropriations)	1,207	1,486	822
Contributions for international peacekeeping activities	55,400	47,400	51,000
Total, U.S. assessed contributions	572,399	536,774	547,057

The administration's budget request for International Organizations and Programs/United Nations and Organization of American States totals $196,211,000. This request compares to an appropriation in the last fiscal year of $358,676,500.

The pressures on this particular account are significant both because of the unrealistically low administration request for several of the items under this account—especially UNDP and UNICEF—and because of very strong congressional support for increased funding not only to those two programs, but also to such programs as the International Fund for Agricultural Development. The Committee is not recommending a number of administration requests, therefore, in order to make room for an adequate level of funding for those programs which have strong congressional support.

The Committee recommends the appropriation of $281,360,000, $77,316,500 less than last year's level. Those funds are earmarked in the legislation as indicated in the following table, which also details the administration's request and the fiscal year 1985 level.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

	Fiscal year 1985 estimate	Fiscal year 1986 proposed	Committee recommendation
United Nations:			
U.N. Development Program	$165,000,000	$120,000,000	$135,000,000
UNDP Trust Fund to Combat Poverty and Hunger in Africa		1,561,000	1,561,000
International Convention and Scientific Organization Contributions		2,750,000	
U.N. Children's Fund	53,500,000	27,000,000	53,500,000
U.N. Capital Development Fund	2,000,000	2,000,000	
U.N./World Food Program	2,000,000		2,000,000
U.N. Voluntary Fund for the Decade for Women	500,000	500,000	
World Meteorological Organization Voluntary Cooperation Program	2,000,000	2,000,000	
International Atomic Energy Agency	14,814,000	20,500,000	18,414,000
U.N. Environment Program	10,000,000	3,000,000	3,000,000
U.N. Educational and Training Program for Southern Africa	1,000,000	1,000,000	1,000,000
U.N. Institute for Namibia	500,000		
U.N. Trust Fund for South Africa	343,000		
U.N. Institute for Training and Research	422,000		
Convention on International Trade in Endangered Species	200,000	200,000	200,000
Center on Human Settlements			486,000
International Fund for Agricultural Development	90,000,000		50,000,000
U.N. Victims of Torture Trust Fund	100,000		
UNIDO Investment Promotion Service	100,000	200,000	
World Heritage Fund	248,500		250,000
U.N. Fellowship Program	449,000		449,000
Subtotal, United Nations	343,176,500	180,711,000	265,860,000
Organization of American States	15,500,000	15,500,000	15,500,000
Total, International organizations and programs	358,676,500	196,211,000	281,360,000

The Committee's recommendation includes the provision of funding for a number of congressional initiatives, including continued funding of the World Food Program, the World Heritage Fund, the U.N. Fellowship Program, and a new appropriation for the Center on Human Settlements. The Center on Human Settlements funds projects to improve shelter; drinking water; sanitation and waste disposal; and upgrading infrastructure and services of the poor, including roads, public transportation, energy and health, social, and educational facilities.

In order to provide for these initiatives and to provide higher levels of funding than requested for UNICEF and UNDP, the Committee is recommending a number of reductions to administration requests as indicated in the above table.

International Fund for Agricultural Development [IFAD].—The Committee recommends the appropriation of $50,000,000 for IFAD for fiscal year 1986. However, the Committee has included bill language that provides that these funds may not be made available until a request has been received by the Congress and the United States has entered into an agreement to participate in the second replenishment of IFAD. Additionally, the Committee has included language which ensures that these funds shall be available only for the second replenishment of IFAD, and if there is no agreement on that second replenishment, then the funds revert to the Treasury.

TITLE II

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

The Agency for International Development [AID] is the arm of the U.S. Government which has the principal operating responsibility for U.S. economic assistance programs. AID is currently on the ground in nearly 70 countries, and, in addition, it manages projects in many other countries through its various regional programs. The Agency's experience and personnel make it the leading development assistance agency in the world.

DEVELOPMENT ASSISTANCE TO CENTRAL AMERICA

Earlier this year, Congress and the President made a historic 4-year commitment to the long-term economic development of Central America. In Public Law 99–83, a new Central America Democracy, Peace, and Development Initiative was added to the Foreign Assistance Act of 1961.

In addition to reaffirming that the U.S. national interest is supported by the building of democracy, the restoration of peace and the improvement of living conditions in Central America, Congress authorized nonmilitary assistance in support of these objectives for each of the fiscal years 1986 through 1989. This long-term authorization and commitment to the development of a particular region is without parallel in recent decades. The Committee supports this long-term commitment to the development of Central America.

The immediate goal of economic stabilization in several Central American nations is being addressed through the Economic Support Fund, which is discussed elsewhere in this report. Other U.S. objectives, including creation of a basis for long-term growth and the promotion of equity, require substantial amounts of bilateral and multilateral development assistance. Education, health and nutrition, family planning, access to land, and shelter were identified as vital areas of U.S. assistance by the National Bipartisan Commission on Central America in January 1984. Undertakings in these areas are best made through the functional development accounts, as justified in the budget request.

The House Appropriations Committee action again includes a provision which would limit the total amount of functional development assistance for Central America to $225,000,000. In conference on the fiscal year 1985 legislation, this Committee very reluctantly went along with this provision, but only after securing language which would allow the administration to exceed the limitation by notifying Congress through

the regular notification process. There is no such justification for continuing this limitation.

ASSISTANCE TO LEBANON

The Committee is recommending language in the bill which would have the affect of reserving undisbursed funds which were appropriated to finance assistance to Lebanon. House Appropriations Committee action has suggested transferring all of the undisbursed funds for various purposes. The administration, at one time or another, has also suggested such transfers and, on one occasion, this Committee has suggested a transfer. The provision in the House legislation appears to transfer more funds than are available, but in any event, purposes for which transfers are suggested are, in fact, funded directly in the Committee's recommendations. The Committee, therefore, believes the Lebanon money should be either used in Lebanon or turned back to the Treasury and is, therefore, recommending language to that affect.

SYRIA TERMINATION ACCOUNT

The House Appropriations Committee has recommended a provision which would rescind the Syrian termination account. The Committee understands that the reason for this recommendation by the House is that they are concerned over administration attempts to use these funds for other purposes. The Committee agrees with the House position, but rather than rescinding the funds which could require additional appropriations later, language is recommended in the bill which would ensure that the funds remaining can only be used for termination activities.

DEOBLIGATION/REOBLIGATION AUTHORITY

The Committee is once again recommending deobligation/reobligation authority for the Agency for International Development, notwithstanding the administration's opposition. The Committee notes that in public ceremonies at the White House, the President has, in effect, praised this authority notwithstanding OMB's continued opposition to it. Unquestionably, this authority is important to management and is helpful in ensuring the productive and efficient use of scarce foreign assistance resources. The Committee is continuing last year's language which allows special consideration for the Andean region. The Committee believes that because of the significant needs in countries of that region, and given the shortage of U.S. foreign assistance that we should continue this provision for at least another year.

Notwithstanding the Committee's strong support for this activity, the Committee has some concern over possible abuse by the Agency in utilizing this authority. Specifically, shortly before the end of fiscal year 1985, the administration notified the Committee of its intention to deobligate $15,400,000 of funds previously made available for a project in Somalia but not now needed because of bids which came in much lower than had been anticipated. Upon questioning by the Committee, it was learned that the central budgeting office of the Agency did not

know of the deobligation, the Africa bureau talked in terms of maybe it will and maybe it won't deobligate the funds, and also that notwithstanding the law which refers to a 15-day period commencing with notification before deobligation, the Committee was informed that 30-day notice had to be given to the country involved before such deobligation could occur. This latter point has subsequently been dismissed as fiction. This example of how deobligation/reobligation authority was used causes the Committee to direct the Agency to formulate procedures which must be used in utilizing this authority in the future. The Committee will expect a report detailing those procedures within 30 days after enactment of this legislation.

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

Appropriation, 1985	$755,551,000
Budget request, 1986	792,352,000
House allowance	679,995,900
Committee recommendation	760,000,000

The most basic concern of the world's inhabitants is an adequate food supply. Through this function, the Agency for International Development funds a variety of agricultural related programs designed to increase production, improve nutrition, and develop the rural areas of Third World countries. The programs also include a wide variety of research on plant yields, soils, and plant disease, as well as institutional development.

The level of funding recommended by the House Appropriations Committee for this function would have a disastrous affect on some of the most important programs funded under the account. The House reduction is not only substantially under the request level, but also substantially under the amount provided in fiscal year 1985. Much of this assistance, as noted earlier in this report, is central to the Agency's efforts to generate a green revolution in Africa and increase agricultural production in other areas of the world. Unquestionably, in particular, such a cut would be applied mainly to AID centrally funded programs consisting of research, agricultural education, and Third World institution building. These, and other activities, are carried on by the international agricultural research centers and nearly 40 American universities and colleges, led by such agricultural research institutions as Michigan State, the University of Wisconsin, Oregon State University, and Cornell. It is exactly this type of work by such institutions which ultimately led to the green revolution in Asia, one of the modern day miracles of agricultural research. The Committee notes that cuts made by the House to this particular account have generated more concern and complaints outside of Washington than any other action in the House legislation.

Surplus dairy products.—The Committee has included bill language that states that not less than $5,000,000 shall be provided for new development projects of private entities and cooperatives utilizing surplus dairy products. The immense productivity of American dairy farmers has heretofore been a basically untapped resource for foreign assistance in Third World nations. The Committee believes that it is essential that serious efforts be made to utilize these resources, and, therefore, is suggesting this earmark.

Agricultural activities in Poland.—The Committee is in total agreement with the sentiments expressed by the House Committee over the lack of progress on implementing a provision initiated by this Committee which provided $10,000,000 for agricultural activities in Poland. The

Committee underscores the House Committee's sentiment that AID should double its efforts to overcome the current impasse with respect to this matter.

Vitamin A Deficiency Program.—Ten million children each year suffer from vitamin A deficiency. This disorder yearly blinds 500,000 children; in addition, it causes illness and death from measles, diarrhea, and pneumonia. New medical evidence suggests that a vitamin A supplement alone can save many children's lives. The Committee has included bill language earmarking $8,000,000 for the Vitamin A Deficiency Program. It is the Committee's hope that this program, along with AID's ongoing Oral Rehydration Therapy Program will have a major impact on the health of children worldwide.

Marine systems laboratory mariculture project, Grand Turk Island.—The Committee notes that one of the more successful projects funded under the auspices of the Caribbean Basin Initiative has been the shore-based marine systems laboratory mariculture project on the island of Grand Turk. This laboratory is the last remaining U.S. presence on the island. It has generated extensive research into stocking, farming, and harvesting reef systems with commercially marketable fish, including shellfish, and has the potential for providing an excellent additional source of revenue in the Caribbean and an alternative to the illicit drug trade.

The Smithsonian Institute and the Agency for International Development have joined in funding research vessels and the laboratories' initial operations. However, the Committee strongly believes that the Agency for International Development should fund the shore-based mariculture laboratory project as a permanent project on the island of Grand Turk. Therefore, the Committee directs that $400,000 be made available by the Agency for International Development to operate and maintain the marine systems laboratory mariculture project on the island in fiscal year 1986. The Committee believes that this important laboratory will have significant, long-term benefits for the entire Caribbean Basin, as well as provide a positive, peaceful, nonmilitary, continuing presence on the island, in the wake of the recent closing of U.S. Air Force and naval bases on the island.

The Committee recommends the appropriation of $760,000,000 for the agricultural, rural development and nutrition function, an increase of $4,449,000 over last year's level.

POPULATION PLANNING

Appropriation, 1985	$290,000,000
Budget request, 1986	250,017,000
House allowance	261,000,000
Committee recommendation	250,000,000

The population planning activities of the Agency for International Development include direct family planning services, various health-related programs, and research aimed at developing safe and effective contraceptives.

The Committee is again recommending bill language, identical to current law, as follows:

> *Provided*, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization.

The Committee also recommends bill language to require all grantees of the Agency for International Development to ensure that family planning projects supported by funds appropriated under this section are completely voluntary and act as alternatives to abortion.

In recommending this language, the Committee intends to reaffirm both existing statutory prohibitions against the use of population planning funds to finance abortion or research abortion as a method of family planning as well as existing prohibitions against involuntary sterilization. The Committee seeks to underscore its firm intention that individuals served by population planning projects not be encouraged or motivated to practice abortion.

The Committee also intends to assure that the Agency for International Development does not support programs in which there is any element of coercion of individuals to practice family planning or to accept any particular method of contraception. Consequently, AID-supported programs must include a description of the effectiveness and risks of all major methods of family planning and must inform couples regarding programs offering other methods as appropriate.

To this end, no AID-funded family planning projects which specialize in only one or two methods of reversible contraception including natural family planning would be required to actually offer additional methods themselves if they simply provide information about other methods and programs offering other methods. So too, projects which specialize in permanent surgical contraception must also provide infor-

mation about alternative methods to prevent pregnancy, including natural family planning.

The Committee is recommending the appropriation of $250,000,000 for this program in fiscal year 1986.

HEALTH

Appropriation, 1985	$223,138,000
Budget request, 1986	146,427,000
House allowance	200,824,200
Committee recommendation	205,000,000

The health development account provides assistance to a variety of health sector programs and projects. Included in this activity are such programs as primary health training, the development of health care systems, the provision of basic drugs and other commodities, research, and programs which seek to identify effective methods of disease control.

Child survival activities.—The administration's request of $146,427,000 includes $25,000,000 for the Child Survival Fund. The Committee believes the health program is too important to sustain such a large cut from the current year's level of $223,138,000, as well as having $25,000,000 allocated to the Child Survival Fund. The Committee recommends the appropriation of $205,000,000 for the health account, the amount authorized. In addition, the Committee has included bill language earmarking $25,000,000 under the health account for child survival activities, and deals with the Child Survival Fund itself as a freestanding program.

AID health professionals.—The Committee is particularly concerned by the fact that AID apparently has insufficient numbers of health professionals on its staff to properly initiate and administer projects under the AID Health Program. Over the last several years, Congress has directed greater resources to AID's health activities. Nevertheless, the size of the AID staff of health professionals, critical to the success of the projects undertaken by AID, has not only not increased proportionately to the increase in the size of the program, but in fact has actually decreased. Therefore, the Committee directs that AID allocate funds from its 1986 operating expense appropriation for increasing the staff of health professionals. The Committee expects OMB to cooperate in this effort by making whatever changes are necessary in AID's personnel ceilings to accommodate these additional positions. The Committee wishes to emphasize the advantages to be gained by direct hire in increasing the number of health professionals, since it is direct hire personnel who gain sufficient experience to effectively carry out their mission. The Committee notes that it has resisted suggestions that operating expenses be earmarked in order to solve this problem, but the Committee may well do so in the future if the Agency does not respond adequately to the directions contained in this report.

International Health Training Center.—The Committee fully supports the efforts currently ongoing between the Agency for International De-

velopment and the County of Milwaukee to establish an International Health Training Center at the Milwaukee Regional Medical Center. Milwaukee County is to be commended for demonstrating its willingness to put up local government funding in order to make this institution a reality, and AID is to be commended for its willingness to help Milwaukee County develop its proposal for the benefit of the international health activities of the U.S. Foreign Assistance Program. For its part, the Committee is providing additional funding under this account, part of which is to be utilized for this activity. Specifically, the Committee directs AID to make available up to $425,000 for its share of this cooperative project.

Health systems vitalization project.—The Committee continues to be concerned with the management of the health systems vitalization project in El Salvador. Initially, when the project was approved via a reprogramming in March 1983, the Committee was informed that the $19,000,000 requested for the health systems vitalization project was urgently required because of material shortages in the field. Nearly 2 years later the Committee learned that very little in the way of materials had been shipped. Senior AID officials admitted to a complete breakdown in the management of this project, and subsequently have endeavored to correct problems which caused this management shortfall. Just before the end of fiscal year 1985, the Committee received additional evaluations and reports with respect to this project, followed by another reprogramming request for an additional $10,000,000. While the Committee did not object to obligation of these funds, it has held up disbursement until the Committee has had an opportunity to thoroughly examine all the materials provided in support of the project. Thus far, the Committee's examination of those materials has not alleviated the original concern, and more documents have been requested. Unquestionably the activities described by the project are worthwhile and needed, but until the Committee is satisfied that the Agency's justifications are complete and its ability to manage the project unquestioned, disbursement will be held up.

Malaria immunology.—The Committee has long held the view that the eradication of diseases which are endemic to the developing world would make an immeasurable contribution to economic and social development. The debilitating effects of vector borne diseases such as malaria rob hundreds of millions of persons in the developing world of their productive capacity and places a severe burden on health care systems. Moreover, vast areas of potentially fertile arable land are not cultivated because of the threat of malaria and other diseases to farmers. Obviously, this factor is important in the food deficit equation affecting much of the developing world.

Consequently, the Committee has found considerable encouragement in recent developments in malaria related research activities funded by the Agency for International Development. In particular, significant achievements have been reached in research on the development of malaria vaccines. The Committee noted with particular interest the conference on such research held in April of this year in Honolulu, HI.

The Committee believes that the results achieved thus far warrant both an acceleration and a broadening of research activities as well as dramatic increases in the speed with which laboratory findings are implemented in the field. Therefore, the Committee directs that a significant portion of the increase in health development assistance funding recommended by the Committee be allocated to AID's malaria immunology project. It has been suggested to the Committee that $15,700,000 would be an appropriate level of funding for this project in fiscal year 1986. In the course of its fiscal year 1987 hearings, the Committee expects to be informed by the Administrator of the Agency for International Development of his proposals to fund the malaria immunology project at this increased level.

CHILD SURVIVAL FUND

Appropriation, 1985	$25,000,000
Budget request, 1986	
House allowance	22,500,000
Committee recommendation	25,000,000

The Child Survival Fund was a fiscal year 1985 congressional initiative that has been met with enthusiastic response from private voluntary organizations, international organizations, recipient countries, and the administration itself. In its Congressional Presentation Document, the administration proposed devoting $25,000,000 of its health development assistance budget to the fund. However, the administration's low request levels for the health account have raised a concern that due to budget constraints the Child Survival Fund might not be fully funded. Therefore, the Committee recommends the appropriation of $25,000,000 for the fund as a separate line item. This appropriation, along with $25,000,000 earmarked under the health account for child survival activities will bring to $50,000,000 funds available for these purposes.

The Committee again expects this funding to be provided through the United Nations Development Program, UNICEF, and private voluntary organizations, as well as through direct bilateral assistance programs.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

Appropriation, 1985	$188,833,000
Budget request, 1986	183,533,000
House allowance	169,949,700
Committee recommendation	180,000,000

The Education and Human Resources Development Program of the Agency for International Development concentrates its work on basic primary education, nonformal education such as adult and vocational training, more advanced scientific professional and technical training, and support of research in basic education and training.

International Student Exchange Program.—The Committee has included a $6,000,000 earmark for the International Student Exchange Program. This program, established in response to the Kissinger Commission recommendations in fiscal year 1984, has been very successful and cost-effective. In fact, the administration's response to this congressional initiative has likewise been overwhelmingly favorable to the extent that the administration added $2,000,000 to the previous $2,000,000 congressional earmark for the program.

Central American Peace Scholarships Program.—The Committee is likewise encouraged by recent improvements in the implementation of the Central American Peace Scholarships [CAPS] Program. Several hundred disadvantaged Central American participants have already arrived in the United States, and some have already completed training. The Committee will continue to closely monitor this program in its second year.

National University in Costa Rica.—The Committee recommends bill language earmarking $340,000 of the funds appropriated under this account to support a scholarship program at the National University in Costa Rica. Under this program, scholarships will be provided to students attending the National University who, as part of their course of study at the university would come to the United States for further training and education. In support of this program, the Committee has earmarked $340,000 which, together with $840,000 equivalent in Costa Rican currency generated by funds provided to Costa Rica under the "Economic Support Fund" account, will finance a total program having the value of $1,200,000.

The Committee recommends the appropriation of $180,000,000, the authorization level.

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT ACTIVITIES

Appropriation, 1985	$190,000,000
Budget request, 1986	210,071,000
House allowance	174,358,930
Committee recommendation	190,000,000

Programs and projects funded under this functional account fall outside areas specifically dealt with in the other functional accounts, and in some cases include aspects of several of those functions. AID's private sector programs are largely funded under this account, as are programs funded through the private voluntary organizations [PVO's]. Generally programs or projects dealing with urban problems fall within this account, as do employment and energy activities.

Energy programs.—The Committee notes with considerable concern recent declines in AID's energy funding under the Agriculture and Energy accounts. The growing food crisis in Africa heightens the awareness of the importance of agriculture and its relationship to energy. To prevent continuing famine, agriculture growth rates must increase. Every 1-percent increase in agricultural output requires at least a 2-percent increase in commercial energy. A reliable source of energy is necessary for irrigation, fertilizer, processing, marketing, food preservation, and preparation. AID does not appear to be adequately addressing this critical gap in its development programming.

The foreign debt position of most AID-assisted countries continues to worsen. Much of this debt is the result of the need for oil imports, leaving few resources for most country development programs. Because the energy crisis has slackened in the United States is no reason for AID to weaken its energy programs.

The Committee feels very strongly that the downward trend in AID's funding of energy programs should be reversed and expects to see increased funding for energy. At a minimum, AID should fund energy programs in fiscal year 1986 at a target level of $50,000,000 in its functional development accounts.

Costa Rica land use management system.—The Committee is well aware of the economic difficulties currently facing the Costa Rican Government. One of the means to address those problems is to facilitate a better understanding of the natural, industrial, agricultural, and population resources that currently exist in that country so that they can be marshaled in this effort. Toward that end, the Committee has provided $7,435,946 for the purpose of establishing a complete computerized cadastral mapping data collection system. The Committee under-

stands that these funds are the first installment of a 4-year project that has been developed in conjunction with the Costa Rican Government and which will greatly modernize and provide a complete land mapping system so desperately needed to encourage continued economic growth in that nation.

Private voluntary organizations.—Private voluntary organizations play a vital role in the implementation of many parts of the U.S. Foreign Assistance Program. Because they are viewed as nongovernmental organizations, they are able to carry out and work in a manner and in locations unsuitable for direct Government programs. It is their privateness that enables them to be so effective, and, therefore, the Committee and Congress has been concerned over the years about the nature of the privateness of many of these organizations. Both the Congress and the administration have, therefore, sought to establish at least one benchmark in this area, percentage of nongovernment funding versus Government funding received by these organizations. All of these benchmarks can only be described as modest. Authorization legislation, reflecting administration views, has suggested a benchmark of 20 percent as the minimum private contribution, while the Appropriations Committees have suggested 25 percent. Appropriations legislation in fiscal year 1985 enacted the 25 percent, but this year the House Appropriations Committee has suggested a significant revision which would in effect render the 25-percent benchmark meaningless by allowing a blanket waiver authority to the Administrator of the Agency. The Committee might support the House language if the percentage were higher, but instead is suggesting a continuation of last year's provision.

In implementing the 25-percent rule for the private and voluntary agencies, it is the intent of the Committee that the value of commodities (including related transportation) made available to an organization for overseas distribution shall not be included in determining the amount of Government support for such organization. It is also the intent of the Committee that the value of contracts for services and grants for AID-initiated activities shall not be included in determining Government support for such an organization. Last, it is the further intent of the Committee that any application of this rule not interrupt fiscal year 1986 support for ongoing PVO programs of assistance for which Congress has been notified.

In addition, under general provisions, the Committee has recommended bill language which would require that any PVO which receives assistance through this legislation make its books available for auditing and investigation when required by the Inspector General of AID.

United States/Israel cooperative projects.—Last year this Committee initiated a program whereby the United States and Israel would cooperate in Third World development activities. That program has been well received by all parties involved, and, therefore, the Committee this year is recommending an earmark of $5,000,000 for continuation of the program.

Great Lakes shipping.—The Committee expects that the Secretary of Transportation shall, consistent with the requirements of section 901(b) of the Merchant Marine Act of 1936 as amended, and the provisions of the Agriculture, Food, Trade, and Conservation Act of 1985 (S. 1714), (relating to waterborne cargoes exported from Great Lakes ports) make such geographic distribution of bagged, processed or fortified commodities exported pursuant to title II of the Agriculture Trade and Development Act of 1954, as shall not result in undue diversions of such cargoes from any of the four port ranges.

Nepal energy farm and reforestation project.—The Committee has become increasingly concerned about the growing problem of deforestation, as well as the need to develop alternate sources of energy. In light of these concerns, the Committee has included bill language earmarking $2,280,000 for the "Energy Farm Proposal Using Hybrid Poplar Plantations in India and Nepal" for the purpose of hybrid poplar energy farming in Nepal. The Committee directs the Agency for International Development to implement this project in accordance with the provisions of that proposal. The Committee also directs that the funding for this project be in addition to moneys spent for both ongoing and contemplated projects in Nepal for the fiscal year.

The Committee recommends the appropriation of $190,000,000, the same as the current level.

SCIENCE AND TECHNOLOGY

Appropriation, 1985	$10,000,000
Budget request, 1986	13,000,000
House allowance	10,790,000
Committee recommendation	13,000,000

The Science and Technology Program is the focal point of AID's efforts to collaborate with Third World scientists in establishing priorities for future programs of development research and technology transfer. The key element of the program has also been aimed at developing research capabilities in Third World countries.

The Committee recommends the appropriation of $13,000,000, the budget request.

PRIVATE SECTOR REVOLVING FUND

Appropriation, 1985	($20,000,000)
Budget request, 1986	(20,000,000)
House allowance	(18,000,000)
Committee recommendation	(18,000,000)

The Committee recommends the transfer of $18,000,000, the same as the amount authorized for the Private Sector Revolving Fund. This is not additive, but is a ceiling on the amount which can be used from development assistance accounts for the Fund.

The purpose of the fund is to promote economic development by encouraging the growth of the private sector in developing countries. The Fund would be used to leverage private sector money and support for development with foreign assistance dollars.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Appropriation, 1985	$30,000,000
Budget request, 1986	10,000,000
House allowance	27,000,000
Committee recommendation	35,000,000

The American Schools and Hospitals Abroad [ASHA] Program provides grants to institutions overseas sponsored by U.S. citizens or organizations. The assistance provided by this program is a supplement to their regular funding, and grants are awarded under specific criteria.

The Committee recommends the appropriation of $35,000,000, $5,000,000 over the current year level.

The following is a summary of requests made by institutions to the American Schools and Hospitals Abroad Program for fiscal years 1984, 1985, and 1986 and grants made by AID in fiscal years 1984 and 1985 and a summary of aid given to recipient institutions for fiscal years 1959–85:

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Requests Made by Institutions for FYs 1984, 1985 and 1986, Grants Made in FY 1984 and FY1985

INSTITUTION AND LOCATION	FY 1984 Requests	FY 1984 Grants	FY 1985 Requests	FY 1985 Grants	FY 1986 Requests 1/
BOTSWANA					
Kanye Hospital, Kanye	-	-	-	-	965,200
Maru a Pula School, Gaborone	901,315	550,000	428,409	425,000	-
Sub-Total, Botswana	901,315	550,000	428,409	425,000	965,200
BRAZIL					
Esperanca, Santarem	198,000	150,000	-	-	202,500
CAMEROON					
Hospital Central D'Enongal, Mbalmayo	-	-	325,000	325,000	-
COLOMBIA					
Puntas Canoas Health Ctr. & School, Punta de Canoas	500,000	-	-	-	-
EGYPT					
American University in Cairo	1,675,000	1,000,000	3,400,000	1,850,000	1,450,000
College of the Holy Family, Cairo	500,000	-	500,000	400,000	-
Sub-Total, Egypt	2,175,000	1,000,000	3,900,000	2,250,000	-
FRANCE					
American Center for Students and Artists, Paris	-	-	-	-	700,000

INSTITUTION AND LOCATION	FY 1984 Requests	FY 1984 Grants	FY 1985 Requests	FY 1985 Grants	FY 1986 Requests 1/
GREECE					
American College of Greece, Athens	1,715,000	380,000	940,000	-	2,073,000
American Farm School, Thessaloniki	350,000	350,000	475,000	475,000	360,000
Anatolia College, Thessaloniki	714,000	375,000	1,181,250	600,000	366,250
Athens College, Athens	275,000	275,000	376,000	-	350,000
Sub-Total, Greece	3,054,000	1,380,000	2,972,250	1,075,000	3,149,250
GUATEMALA					
Hospital de la Familia, Nuevo Progreso	200,000	125,000	-	-	-
Universidad Francisco Marroquin, Guatemala City	1,000,000	1,000,000	-	-	2,000,000
University of the Valley, Guatemala City	1,650,000	700,000	1,687,500	850,000	1,155,000
Sub-Total, Guatemala	2,850,000	1,825,000	1,687,500	850,000	3,655,000
HAITI					
Adventist Hospital, Port-au-Prince	-	-	760,000	-	-
American University of Les Cayes	-	-	-	-	900,000
Bohoc Technical Institute, Bohoc	-	-	377,000	375,000	297,000
Hospital St. Croix, Port-au-Prince	-	-	382,000	300,000	-
Sub-Total, Haiti	-	-	1,519,000	675,000	1,197,000
HONDURAS					
Escuela Internacional Sampedrana, San Pedro Sula	-	-	800,000	800,000	1,053,000
Panamerican Agricultural School, Zamorano	3,480,000	1,700,000	4,010,000	1,700,000	4,350,000
Sub-Total, Honduras	3,480,000	1,700,000	4,810,000	2,500,000	4,850,000

INSTITUTION AND LOCATION	FY 1984 Requests	FY 1984 Grants	FY 1985 Requests	FY 1985 Grants	FY 1986 Requests 1/
INDIA					
Indo-American Hospital, Hyderabad	-	-	-	-	2,000,000
Kodaikanal School, Tamil Nadu	100,000	-	300,000	300,000	-
Lakeview Medical Center, Bangalore	-	-	1,400,000	-	1,400,000
Ludhiana Christian Medical College, Punjab	500,000	500,000	1,000,000	500,000	500,000
Vellore Christian Med. Coll. & Hospital, Vellore	846,071	400,000	820,000	500,000	655,200
Woodstock School, Mussoorie	-	-	115,000	110,000	-
Xavier Labour Relations Institute, Bihar	-	-	700,000	-	-
Sub-Total, India	1,446,071	900,000	4,335,000	1,410,000	4,555,200
INDONESIA					
Petra Christian University, Surabaya	1,250,000	-	-	-	-
ISRAEL					
American College of Belz, Jerusalem	-	-	1,250,000	500,000	-
AMIT Kfar Batya Youth Village, Israel	-	-	-	-	250,000
Assaf Harofeh Medical Center, Beer Ya'cov	-	-	5,000,000	-	-
Bar-Ilan University, Ramat Gan	-	-	-	-	1,850,000
Beth Rivka Comprehensive School, Kfar Chabad	450,000	450,000	-	-	-
Beth Yaacov Avot Girls High School, Ashdod	-	-	970,000	-	-
Boys Town Jerusalem	1,000,000	-	1,000,000	300,000	1,000,000
Children's Town, Jerusalem	500,000	-	-	-	1,000,000
David Schapell College, Jerusalem	-	-	2,000,000	-	-
Educational Center for Galilee, Rechasim (Girls Town, Or Chadash)	500,000	-	-	-	600,000
Emunah Women of America Community College, Jerusalem	-	-	700,000	200,000	-
Feinberg Graduate School of Weizmann Institute, Rehovot	1,950,000	1,200,000	3,000,000	500,000	4,200,000

INSTITUTION AND LOCATION	FY 1984 Requests	FY 1984 Grants	FY 1985 Requests	FY 1985 Grants	FY 1986 Requests 1/
ISRAEL (Cont'd)					
Gan Yavne Youth Village, Gan Yavne	-	-	300,000	150,000	-
Hadassah Medical Center, Jerusalem	4,000,000	1,500,000	4,000,000	1,500,000	4,300,000
Harry S. Truman Institute for the Advancement of Peace	-	-	2,000,000	-	-
Itamar Institute, Jerusalem	851,000	250,000	-	-	-
Jerusalem College of Technology, Jerusalem	1,000,000	-	-	-	-
Jerusalem Society for the Advancement of Education and Culture (Jerusalem Academy)	-	-	1,125,000	-	-
Kiryat Chinuch Mevaseret Zion Educational Center, Jerusalem	1,135,000	200,000	1,125,000	-	879,000
Kfar Silver, Ashkelon	1,500,000	-	1,500,000	500,000	-
Laniado Hospital, Netanya	550,000	-	-	-	628,000
Machanaim Kiryat Gat, Kiryat Gat	-	-	-	-	2,000,000
Migdal Ohr School, Migdal Ohr	1,500,000	-	-	-	-
Neve Michael Youth Village, Pardess Channa	-	-	2,676,000	1,000,000	-
Ohr Somayach School, Jerusalem	-	-	-	-	3,000,000
Sha'alvim Teachers College, Sha'alvim	1,040,000	500,000	1,040,000		1,500,000
Shaare Zedek Medical Center, Jerusalem	1,000,000	-	-	-	-
Sinai Institute for Jewish & American Studies in Israel, Tel Aviv	-	-	352,000	-	-
Union of Orthodox Jewish Congregation/NCSY Israel Center, Jerusalem	-	-	-	-	1,200,000
Yeshivat Kfar Ganim High School	-	-	750,000	-	-
Yeshivas Wiznitz Beth Israel, Kiriat Wiznitz	18,726,400	4,100,000	28,788,000	4,650,000	22,707,000
Sub-Total, Israel					
ITALY					
Bologna Center of Johns Hopkins University, Bologna	325,000	325,000	350,000	350,000	350,000

INSTITUTION AND LOCATION	FY 1984 Requests	FY 1984 Grants	FY 1985 Requests	FY 1985 Grants	FY 1986 Requests 1/
JAMAICA					
St. George's College, Kingston	850,000	625,000	-	-	700,000
St. John Bosco School, Kingston	-	-	-	-	500,000
Sub-Total, Jamaica	850,000	625,000	-	-	1,200,000
JORDAN					
American Center of Oriental Research, Amman	400,000	400,000	400,000	250,000	-
KENYA					
University of Eastern Africa	1,350,000	-	-	-	-
KOREA					
Chung-Ang University, Seoul	-	-	1,500,000	-	1,500,000
Ewha Women's University, Seoul	-	-	500,000	-	-
Han-Mi General Hospital, Kyung Gi Do	-	-	1,294,000	-	-
Kwangju Christian Hospital, Kwangju	250,000	250,000	-	-	-
Presbyterian Medical Center, Jeonju	895,000	-	750,000	400,000	620,000
Sogang University, Seoul	740,000	550,000	-	-	875,000
Soong Jun University, Seoul	-	-	2,121,350	900,000	-
St. Joseph Girls' High School, Cholla Nam Do	-	-	425,000	-	-
Wilson Leprosy Center, Chulla Nam Do	-	-	320,000	-	-
Yonsei University, Seoul	-	-	2,295,000	-	
Sub-Total, Korea	1,885,000	800,000	9,205,350	1,300,000	2,995,000
LEBANON					
American University of Beirut	6,000,000	5,000,000	7,500,000	5,000,000	7,500,000
Beirut University College	2,280,000	-	380,000	350,000	-
Haigazian College, Beirut	1,000,000	-	-	-	-
Sub-Total, Lebanon	9,280,000	5,000,000	7,880,000	5,350,000	7,500,000

INSTITUTION AND LOCATION	FY 1984 Requests	FY 1984 Grants	FY 1985 Requests	FY 1985 Grants	FY 1986 Requests 1/
LIBERIA					
Cuttington University College, Suacoco	1,152,000	650,000	1,340,000	600,000	1,500,000
MALAWI					
Malamulo Hospital, Makwasa	-	-	800,000	700,000	500,000
Mulanje Hospital, Mulanje	-	-	-	-	250,000
Sub-Total, Malawi			800,000	700,000	500,000
MEXICO					
American British Cowdray Hospital, Mexico City	1,000,000	1,000,000	-	-	2,000,000
Montemorelos University Medical Center, Nuevo Leon	-	-	1,200,000	-	-
University of the Americas, Puebla	1,454,000	500,000	940,000	500,000	950,000
Sub-Total, Mexico	2,454,000	1,500,000	2,140,000	500,000	2,950,000
MICRONESIA					
Xavier High School, Truk	-	-	-	-	800,000
PAKISTAN					
Christian Hospital, Taxila	-	-	230,000	-	-
Memorial Christian Hospital, Sialkot	-	-	230,000	-	-
Nancy Fulwood Hospital, Sahiwal	-	-	1,500,000	-	1,153,000
Sub-Total, Pakistan			1,960,000	-	1,153,000

INSTITUTION AND LOCATION	FY 1984 Requests	FY 1984 Grants	FY 1985 Requests	FY 1985 Grants	FY 1986 Requests 1/
PHILIPPINES					
Angeles University, Angeles City	2,666,000	-	-	-	756,998
Ateneo de Davao University, Davao City	-	-	350,000	250,000	-
Ateneo de Manila University, Quezon City	1,608,445	1,200,000	-	-	-
Ateneo de Zamboanga, Zamboanga City	-	-	1,641,000	850,000	-
Central Philippine University	-	-	-	-	1,484,957
Northern Christian College, Laoag City	-	-	600,000	-	-
Notre Dame University, Cotabato City	-	-	-	-	2,357,135
Wesleyan University	-	-	-	-	371,027
Xavier University, Cagayan de Oro City	-	-	1,945,000	-	
Sub-Total, Philippines	4,274,445	1,200,000	5,536,000	1,100,000	4,970,117
POLAND					
American Children's Hospital, Krakow	1,500,000	750,000	550,000	250,000	750,000
SUDAN					
Loyola Secondary School, Wau, Bahr el Ghazal	426,024	425,000	-	-	-
THAILAND					
Bangkok Adventist Hospital	765,000	725,000	765,000	700,000	-
Lampang College of Commerce and Technology	-	-	-	-	450,000
Payap University, Chiang Mai	1,698,000	500,000	-	-	800,000
Sub-Total, Thailand	2,463,000	1,225,000	765,000	700,000	1,250,000
TURKEY					
Admiral Bristol Hospital, Istanbul	1,635,000	400,000	1,735,000	650,000	1,705,000
American Collegiate Institute, Turkey	-	-	-	-	406,500
Robert College, Istanbul	565,000	280,000	-	-	1,100,000
Sub-Total, Turkey	2,200,000	680,000	1,735,000	650,000	3,211,500

INSTITUTION AND LOCATION	FY 1984 Requests	FY 1984 Grants	FY 1985 Requests	FY 1985 Grants	FY 1986 Requests 1/
UNITED KINGDOM					
New England College	-	-	-	-	1,640,000
WEST BANK					
Bethlehem University, Bethlehem	1,000,000	1,000,000	-	-	-
St. Luke's Hospital, Nablus	490,000	-	-	-	-
Sub-Total, West Bank	1,490,000	1,000,000			
WORLDWIDE					
Project HOPE Schools of Health Sciences	2,900,000	1,500,000	3,100,000	1,500,000	3,100,000
Project ORBIS	1,000,000	1,000,000	1,500,000	1,350,000	1,500,000
Sub-Total, Worldwide	3,900,000	2,500,000	4,600,000	2.850,000	4,600,000
ZAIRE					
Good Shepherd Hospital, Kananga	1,224,000	715,000	1,291,000	550,000	835,000
ZAMBIA					
Mwami Hospital, Chipata	600,000	600,000	690,000	690,000	-
TOTALS	70,354,255	30,000,000	88,007,509	30,000,000	79,635,767

1/ A number of applications are preliminary based on cost estimates subject to change.

OFFICE OF AMERICAN SCHOOLS AND HOSPITALS ABROAD
SUMMARY OF AID TO RECIPIENT INSTITUTIONS, FY 1959 - FY 1985
(in thousands of dollars)

INSTITUTIONS	FYs 1959 - 1979		FY 1980		FY 1981		FY 1982	FY 1983	FY 1984	FY 1985	TOTAL	
	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	L/C $ Equiv	U.S. Dollars	U.S. Dollars	U.S. Dollars	U.S. Dollars	U.S. Dollars	L/C $ Equiv.
Admiral Bristol Hospital, Istanbul, Turkey	3,105	-	850	-	930	-	750	550	400	650	7,235	-
Adventist Hospital of Haiti, Port-au-Prince, Haiti	235	-	-	-	400	-	-	-	-	-	635	-
Amana Ulpanat, Kfar Saba & Zefira Israel	1,200	-	-	-	-	-	-	-	-	-	1,200	-
American British Cowdray Hospital, Mexico City, Mexico	-	-	-	-	-	-	-	-	1,000	-	1,000	-
American Center for Oriental Research, Amman, Jordan	-	-	-	-	-	-	200	-	400	250	850	-
American Children's Hospital, Krakow, Poland	4,660	15,288	750	-	-	-	300	150	750	250	6,860	15,288
American College of Belz, Israel	-		-		-	-	-	-	-	500	500	-
American College of Greece, Athens, Greece	5,147	-	360	-	-	-	300	-	380	-	6,187	-
American Farm School, Thessaloniki, Greece	4,789	-	270	-	550	-	425	295	350	475	7,154	-
American Hospital in Estepona, Spain	25	-	-	-	-	-	-	-	-	-	25	-
American Hospital of Paris, France	5,475	-	-	-	-	-	-	-	-	-	5,475	-
American Hospital in Rome, Italy	4,885	-	-	-	-	-	-	-	-	-	4,885	-
American International College, Israel	100	-	-	-	-	-	-	-	-	-	100	-
American Library in Paris, France	440	-	-	-	-	-	-	-	-	-	440	-
American University of Beirut, Lebanon	116,904 1/	-	4,000	-	3,500	-	4,000	4,000	5,000	5,000	142,404	-
American University in Cairo, Egypt	10,745	2/51,750	500	15,750	400	14,300	800	900	1,000	1,850	16,195	81,800
Anatolia College, Thessaloniki, Greece	2,653	-	-	-	425	-	-	200	375	600	4,253	-
Ateneo de Davao University, Davao City, Philippines	-	-	-	-	-	-	1,190	-	-	250	1,440	-
Ateneo de Manila University, Quezon City, Philippines	-	-	-	-	-		-	-	1,200	-	1,200	-
Ateneo de Zamboanga University Zamboanga, Philippines	-	-	-	-	-		-	-		850	850	
-Athens College, Athens, Greece	2,852	-	275	-	-		-	200	275	-	3,602	-
Bangdung Adventist Hospital, Bangdung, Indonesia	300	-	-	-	-		-	-	-	-	300	-
Bangkok Adventist Hospital, Thailand	450	-	-	-	-		-	-	725	700	1,875	-
Bayit Lepletot Vocational Training School, Jerusalem, Israel	-	1,000	-	-	-		-	-	-	-		1,000

INSTITUTIONS	FYs 1959 - 1979		FY 1980		FY 1981		FY 1982	FY 1983	FY 1984	FY 1985	TOTAL	
	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	U.S. Dollars	U.S. Dollars	U.S.U.S. Dollars	Dollars	L/C $ Equiv.
Beirut University College, Lebanon	-	-	-	-	375	-	-	-	-	350	725 2/	-
Beth Bluma Vocational School, Petach Tikva, Israel	1,000	-	-	-	-	-	-	-	-	-	1,000	-
Bethlehem University, Bethlehem, West Bank	-	-	-	-	-	-	-	-	1,000	-	1,000	-
Beth Oloth Vocational High School, Jerusalem, Israel	600	-	-	-	-	-	-	-	-	-	600	-
Beth Rivka Comprehensive School, Kfar Chabad, Israel	500	-	-	-	-	-	-	300	450	-	1,250	-
Beth Yaacov Avat School, Asdod and Ramat Gan, Israel	2,400	-	-	-	-	-	-	-	-	-	2,400	-
Beth Zeiroth Mizrachi Vocational High School, Jerusalem, Israel	500	-	-	-	-	-	-	-	-	-	500	-
Betsefer Tichon Lememichonaim Umazgirut Rechev, Rehovot & Tiberias, Israel	800	-	-	-	-	-	-	-	-	-	800	-
Bohoc Technical School, Bohoc, Haiti	-	-	-	-	-	-	-	200	-	375	575	-
Bologna Center of Johns Hopkins University, Bologna, Italy	2,165	-	380	-	250	-	225	200	325	350	2,895	-
Boys Town Jerusalem, Israel	-	-	-	-	-	-	800	250	-	300	1,350	-
Cairo American College, Egypt	100	1,250	-	-	-	-	-	-	-	-	100	1,250
Central Hospital E'nongal, Cameroon	-	-	-	-	-	-	-	-	-	325	325	-
Chemke Mercy Hospitals, Nigeria	903	-	-	-	-	-	-	-	-	-	903	-
Cheng Hsin Rehabilitation Center, Taipei, Taiwan	1,860	-	-	-	-	-	-	-	-	-	1,860	-
Ch'san Sofer Chasan Yecheskel Institute, Jerusalem, Israel	700	1,000	-	-	-	-	-	-	-	-	700	1,000
Clifford M. Strauss School, Sarcelles, France	250	-	-	-	-	-	-	-	-	-	250	-
College of the Holy Family Cairo, Egypt	-	-	-	-	-	-	-	-	-	400	400	-
Cuttington University College, Suacoco Liberia	1,200	-	1,500	-	750	-	-	900	650	600	5,600	-
Damavand College, Tehran, Iran	1,649	4/ -	-	-	-	-	-	-	-	-	1,649	-
De La Salle University, Manila, Philippines	1,200	-	-	-	-	-	-	800	-	-	2,000	-
Educational Center of Galilee, Rachasim, Israel	1,750	-	-	-	-	-	-	-	-	-	1,750	-
Emunah Women of America Community College, Jerusalem, Israel	-	-	-	-	-	-	-	450	-	200	650	-

INSTITUTIONS	FYs 1959 - 1979		FY 1980		FY 1981		FY 1982	FY 1983	FY 1984	FY 1985	TOTAL	
	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	U.S. Dollars	U.S. Dollars	U.S. Dollars	U.S. Dollars	L/C $ Equiv.
Panamericana Agricultural School Zamorano, Honduras	3,524	-	600	-	1,300	-	1,500	1,455	1,700	1,700	11,779	-
Escuela Internacional Sampedrana, San Pedro Sula, Honduras	-	-	-	-	-	-	-	200	-	800	1,000	-
Esperanca, Santarem, Brazil	400	-	450	-	190	-	200	-	150	-	1,390	-
Feinberg Graduate School of Weizmann Institute of Science, Rehovot, Israel	14,700	-	1,500	-	1,000	-	1,000	750	1,200	500	20,650	-
Francisco Marroquin University, Guatemala City, Guatemala	-	-	-	-	-	-	-	-	1,000	-	1,000	-
Gan Yavne Youth Village, Gan Yavne, Israel	975	-	-	-	-	-	-	-	-	150	1125	-
Good Shepherd Hospital, Kananga, Zaire	670	-	170	-	130	-	-	550	715	550	2,785	-
Gorgas Memorial Institute, Panama	20	-	-	-	-	-	-	-	-	-	20	-
Hadassah Medical Center, Jerusalem, Israel	8,950	1,000	1,200	-	1,000	-	1,000	850	1,500	1,500	16,000	1,000
Hadera Institute, Hadera, Israel	1,400	-	-	-	-	-	-	-	-	-	1,400	-
Haifa Institute of Education, Israel	550	-	-	-	-	-	-	-	-	-	550	-
Heri Mission Hospital, Kigoma, Tanzania	-	-	275	-	-	-	-	-	-	-	275	-
Hospital de la Familia, Nuevo Progreso, Guatemala	820	-	225	-	-	-	-	-	125	-	1,170	-
Hospital St. Croix, Port-au-Prince, Haiti	-	-	-	-	-	-	150	-	-	300	450	-
Igud Leiluf Hanoar, Israel	750	-	-	-	-	-	-	-	-	-	750	-
Induk Vocational School, Seoul, Korea	1,150	-	475	-	-	-	-	-	-	-	1,625	-
International College of Beirut, Lebanon	2,842	-	-	-	500	-	-	250	-	-	3,592 3/	-
International Eye Foundation	400	-	-	-	-	-	-	-	-	-	400	-
Jerusalem College for Women, Israel	750	1,000	-	-	-	-	-	-	-	-	750	1,000
Jerusalem School of Technology, Israel	-	1,986	-	-	-	-	-	-	-	-	250	1,986
Kanye Hospital, Kanye, Botswana	1,000	-	-	-	900	-	-	600	-	-	2,500	-
Kfar Eliyahu Teacher Training Institute Beer Yaacov, Israel	1,645	-	-	-	-	-	-	-	-	-	1,645	-
Kfar Eliyahu Youth Village, Gedera, Israel	950	-	-	-	-	-	-	-	-	-	950	-
Kfar Silver, Ashkelon, Israel	-	-	-	-	-	-	-	-	200	-	200	-
Kodaikanal School, Tamil Nadu, India	-	-	-	-	-	-	-	-	-	300	300	
Kwangju Christian Hospital, Kwangju, Korea	-	-	-	-	-	-	-	-	250	-	250	-

INSTITUTIONS	FYs 1959 - 1979		FY 1980		FY 1981		FY 1982	FY 1983	FY 1984	FY 1985	TOTAL	
	U.S. Dollars	L/C $ Equiv	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	Equiv.	U.S. Dollars.	U.S.S. Dollars	L/C $ Dollars	U.S. Dollars	L/C $ Dollars	Equiv.
Kyriat Chinuch Mevasseret Zion, Jerusalem, Israel	480	-	-	-	-	-	-	-	-	-	480	-
Laniado Hospital, Netanya, Israel	500	-	-	-	-	-	-	-	-	500	1,000	-
Lingnan College, Hong Kong	1,650	-	-	-	-	-	-	-	-	-	1,650	-
Loyola Secondary School, Wau, Bahr el Ghazel, Sudan	-	-	-	-	-	-	-	-	425	-	425	-
Ludhiana Christian Medical College, Punjab, India	500	-	-	-	-	-	-	500	500	500	2,000	-
Malamulo Hospital, Makwasa, Malawi	550	-	-	-	750	-	400	-	-	700	2,400	-
Maru a Pula School, Gaborone, Botswana	195	-	-	-	-	-	-	-	550	425	1,170	-
Mount of David Crippled Children's Hospital, Bethlehem, West Bank	1,500	-	-	-	750	-	-	-	-	-	2,250	-
Mugonero Hospital, Kibuye, Rwanda	-	-	750	-	-	-	-	575	-	-	1,325	-
Musa Alami Foundation, Jericho	120	-	-	-	-	-	-	-	-	-	120	-
Mwami Adventist Hospital, Chipata, Zambia	-	-	-	-	300	-	-	-	600	690	1,590	-
New England College, Arundel, England	850	-	-	-	-	-	-	-	-	-	850	-
Ohr Somayach School, Jerusalem, Israel	1,150	-	-	-	-	-	-	-	-	1,000	2,150	-
Or Hachayim Girls College, Bnai-Brek, Israel	1,000	1,000	645	-	-	-	150	-	-	-	1,795	1,000
Payap College, Chiang Mai, Thailand	1,980	-	-	-	1,075	-	960	500	500	-	5,015	-
Pediatric Hospital, Seoul, Korea	50	-	-	-	-	-	-	-	-	-	50	-
People-to-People Health Foundation, Project HOPE	25,200	-	1,800	-	1,500	-	1,600	1,500	1,500	1,500	34,600	-
Presbyterian Medical Center, Jeonju, Korea	1,808	-	-	-	450	-	200	200	-	400	3,058	-
Project ORBIS	1,034	-	-	-	-	-	750	700	1,000	1,350	4,834	-
Ramat Havraath Hospital & Home for the Aged, Petah Tikvah, Israel	1,150	-	-	-	-	-	-	-	-	-	1,150	-
Robert College, Istanbul, Turkey	22,070	-	300	-	275	-	-	-	280	-	22,925	-
Satya Wacana Christian University, Salatiga, Indonesia	650	-	-	-	-		-	-	-	650	-	
Sde Chemed Vocational School, Rishon Le Zion, Israel	250	-	-	-	-	-	-	-	-	-	250	-
Sephardic Vocational School, Rosh Ha'Ayin, Israel	250	-	-	-	-		-	-	-	-	250	-

INSTITUTIONS	FYs 1959 - 1979		FY 1980		FY 1981		FY 1982	FY 1983	FY 1984	FY 1985	TOTAL	
	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	L/C $ Equiv.	U.S. Dollars	U.S. Dollars	U.S. Dollars	U.S. Dollars	U.S. Dollars	L/C $ Equiv.
Shaare Zedek Hospital, Jerusalem, Israel	2,125	-	800	-	-	-	-	500	500	-	3,925	-
Silliman University, Dumaguete City, Philippines	1,275	-	-	-	-	-	-	500	-	-	1,775	-
Sogang University, Seoul, Korea	2,516	-	650	-	800	-	950	-	550	-	5,466	-
Soong Jun University, Seoul, Korea	-	-	1,300	-	-	-	-	-	-	900	2,200	-
Spafford House, Israel	20	-	-	-	-	-	-	-	-	-	20	-
St. George's College, Kingston Jamaica	-	-	-	-	-	-	-	-	625	-	625	-
St. Joseph Girls' High School, Cholla Nam Do, Korea	-	-	-	-	-	-	-	100	-	-	100	-
Tel Aviv Vocational School, Israel	1,000	-	-	-	-	-	-	-	-	-	1,000	-
Tom Vocational School, Hadera, Israel	500	-	-	-	-	-	-	-	-	-	500	-
Trinity College, Manila, Philippines	-	-	900	-	-	-	-	-	-	-	900	-
Universidad del Valle, Guatemala City, Guatemala	775	-	850	-	1,200	-	950	875	700	850	6,200	-
University of the Americas, Puebla, Mexico	11,984	-	850	-	-	-	700	-	500	500	14,534	-
University of North Africa, Tangier, Morocco	-	100	-	-	-	-	-	-	-	-	-	100
Vellore Christian Medical College and Hospital, Vellore, India	-	-	-	-	-	-	500	-	400	500	1,400	-
Woodstock School, Mussorie, India	-	-	-	-	-	-	-	-	-	500	500	-
Working Boys' Center, Quito, Ecuador	1,700	-	825	-	300	-	-	-	-	-	2,825	-
Yad Benjamin Educational Center, Netivot, Israel	750	-	-	-	-	-	-	-	-	-	750	-
Yonsei University, Seoul, Korea	1,000	-	-	-	-	-	-	-	-	-	1,000	-
Xavier University, Cagayen de Oro City, Philippines	-	-	1,550	-	-	-	-	-	-	-	1,550	-
Program Support	1,487		-	-	-	-	-	-	-	-	1,487	-
TOTAL	312,307	75,374	25,000	15,750	20,000	14,300	20,000	20,000	30,000	30,000	455,307	105,424

1/ Does not include Department of State grant for $2,495,000 in FY 1959, nor $1 million in emergency assistance from AID's Economic Support Fund in FY 1981, $1 million in FY 1981, $1.5 million in FY 1982, $10 million by special appropriation no-year funding from ESF for Lebanon or $7.6 million in FY 1984.

2/ Does not include $400,000 granted AUC in 1959 by the Department of State.

3/ Does not include additional funds made available from special appropriation no-year funding from ESF for Lebanon ($1.5 million for BUC, $600,000 for International College in FY 1983).

4/ Does not include $226,000 deobligated after the 1979 revolution.

INTERNATIONAL DISASTER ASSISTANCE

Appropriation, 1985	$162,500,000
Budget request, 1986	25,000,000
House allowance	22,500,000
Committee recommendation	25,000,000

The Agency for International Development's Office of Disaster Assistance is the U.S. Government's office of first response to disasters around the world. The funds provided in this particular account are basically of a contingency nature, which are used in the event of a disaster.

In fiscal year 1985 drawdown authority available under the Foreign Assistance Act was utilized on several occasions, especially due to the drought in Africa. This borrowing authority was utilized due to the significant needs in excess of the amount appropriated in fiscal year 1985, and while the law allows funds so borrowed to be paid back to the account from which they were borrowed, such a pay back is not required. Due to the extraordinary circumstances under which this authority was utilized, the Committee will not press the Agency to pay back these funds, but instead the Agency may do so at its discretion.

Singapore stockpile.—To facilitate the program activities of the Office of International Disaster Assistance, AID has established four regional disaster assistance stockpiles. Underlying the establishment of the stockpiles is the belief that it is prudent to have items commonly used in disaster relief prepositioned in various regions of the world, in order to cut down the cost and response time in providing disaster assistance. Nonetheless, the Committee has recently been made aware of certain conditions which call into question the efficiency and usefulness of the disaster assistance stockpile located in Singapore.

The stockpile in Singapore has been maintained for the past 10 years under contract with the Agency for International Development by Crown Pacific Ltd., a corporation trading in shipping and storage in the Orient. At an annual cost of $60,000, plus monthly charges for $985 for container rental, Crown Pacific provides space for the storage of materiel which is forward-positioned for disaster assistance contingencies. At an additional charge, Crown Pacific provides personnel and materials-handling equipment whenever a disaster assistance effort requires a drawdown of items maintained in the stockpile.

Under the contract with AID, Crown Pacific is also responsible for providing the necessary personnel and cargo-handling equipment to assist AID in annual physical inventories of items in the stockpile. Notwithstanding this provision and Crown Pacific's readiness to provide required assistance, the last physical inventory performed at the Singapore

stockpile was in September 1983. The Committee has determined that, in the absence of a thorough physical inventory, it is not possible for AID to be certain that there have been no losses due to the elements or to pilferage. Having called for annual inventories in its reports over the past several years and having made provision for such inspections in its recommendations for appropriations for international disaster assistance, the Committee was distressed to find that the condition of the items in the stockpile had not been checked for more than 2 years.

Moreover, the Committee was distressed to learn that a number of items which are maintained in the stockpile have been of little or no use over the years. For example, nearly one-half of the available space in the stockpile is allocated to the storage of 9,628 canvas and wood cots and 2,307 aluminum cots. The wood and canvas cots, which are costly to ship because of their weight and which are too cumbersome to use in most disaster situations, have been maintained unopened and unused at the stockpile for more than 7 years.

The stockpile, itself, has not been extensively used. There were no equipment or materiel drawdowns in 1984; only two in the previous year; and, at the time of the August site visit, only one in 1985.

Clearly, the continued cost of maintaining this stockpile is not justified. Not only are inappropriate items maintained in it, most items which are held in Singapore have not been drawn upon in recent years. Therefore, the Committee directs that the Singapore stockpile be closed down. Items which have been shown to be extraneous to disaster relief should be sold, with remaining items either donated to disaster-prone countries in the region or consolidated at other locations.

Following is a table detailing fiscal year 1985 obligations and availabilities of disaster assistance funding as of March 15, 1985:

Fiscal year 1985 international disaster assistance

Total appropriated as of 1985	[1] [2] $560,486
Relief and rehabilitation (worldwide):	
Antigua drought (fiscal year 1984)	7,670
Argentina earthquake	100,000
Bolivia air crash	101,668
Burkina Faso drought	25,000
Cameroon vol. lake (predisaster assessment)	14,958
Cape Verde floods	275,000
Chad drought	25,000
Chile earthquake	351,905
Comoros cyclone	25,000
Ecuador galapagos is. brush fire	20,000
Ethiopia drought	11,842,644
Fiji cyclone (fiscal year 1983)	2,280
Fiji cyclone eric/nigel	437,666
Grenada emergency (fiscal year 1984)	1,540
Guinea drought (predisaster assessment)	15,180
India chemical explosion	220,400

See footnotes at end of table.

Fiscal year 1985 international disaster assistance—Continued

Relief and rehabilitation (worldwide):	
Lesotho flood/tornado	$25,000
Madagascar cyclone II (fiscal year 1984)	15,686
Mali cholera	24,975
Mali drought (fiscal year 1984)	94,302
Mexico gas explosion	25,000
Mozambique drought (fiscal year 1984)	140,000
Mozabmique floods	25,000
Niger drought	775,620
Panama floods	12,500
Philippines tropical storm/cyclone	95,103
Philippines typhoon Agnes	903,000
Philippines volcanic eruption (fiscal year 1984)	25,181
Sri Lanka cyclone (fiscal year 1983)	3,080
Sri Lanka cyclone (fiscal year 1984)	11,200
Sudan drought	213,577
Turkey earthquake (fiscal year 1984)	3,080
Vanuatu cyclone	25,000
Regional disaster supply stockpiles	1,000,000
Disaster preparedness and technical assistance	[3] 6,900,000
Total programmed or obligated (as of March 1985)	23,783,215
Balance available	1,777,271

[1] $560,486 carried over from fiscal year 1984 appropriation.

[2] In order to continue to provide emergency disaster assistance for the droughts throughout Africa OFDA exercised (on February 11, 1985) its borrowing authority under section 492(b) of the FAA: Amount borrowed through March 15: $18,844,933; amount obligated as of March 15: $12,796,00.

[3] $2,500,000 of originally programmed $9,400,000 has been deferred to fiscal year 1986 to provide additional funds for urgently needed relief assistance for Africa.

The Committee recommends the appropriation of $25,000,000, the administration's request.

SAHEL DEVELOPMENT PROGRAM

Appropriation, 1985	$97,500,000
Budget request, 1986	80,500,000
House allowance	87,750,000
Committee recommendation	80,500,000

The Sahel Development Program is a regional response to development problems in eight African countries which together represent one of the poorest regions in the world. The deficiencies and difficulties facing all of these countries affect all segments of their physical surroundings, resources, and trained personnel. The region continues to suffer from adverse weather reminiscent of the disastrous drought of the early 1970's out of which was created this program.

The Committee is recommending the appropriation of $80,500,000, the administration's request.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Appropriation, 1985	$41,864,000
Budget request, 1986	43,122,000
House allowance	43,122,000
Committee recommendation	43,122,000

The Foreign Service Retirement and Disability Fund is a mandatory expense of the Agency for International Development. The Committee recommends the appropriation of the full budget request.

ECONOMIC SUPPORT FUND

Appropriation, 1985	$6,084,000,000
Budget request, 1986	4,024,000,000
House allowance	3,651,286,666
Committee recommendation	3,800,000,000

The Economic Support Fund [ESF] is distinguished from the rest of the Bilateral Assistance Program by emphasis on political and security considerations in the decisionmaking process establishing country allocations of ESF assistance. The assistance provided under the account takes the form of development aid, cash grants, and Commodity Import Programs. As mentioned elsewhere in this report, approximately one-third of the funding under ESF is for development assistance.

The following table details the Economic Support Fund budget proposal for fiscal year 1986, as well as the estimated level for fiscal year 1985 and the actual level for fiscal year 1984:

ECONOMIC SUPPORT FUND PROGRAM—FISCAL YEARS 1984–86

	Fiscal year—		
	1984 actual	1985 estimated	1986 request
Africa:			
Botswana	$800,000	$10,000,000	$10,000,000
Chad	3,000,000	5,000,000	10,000,000
Djibouti	3,000,000	3,500,000	5,000,000
Kenya	21,000,000	30,000,000	35,000,000
Liberia	35,000,000	43,000,000	48,000,000
Madagascar	0	3,000,000	3,000,000
Mauritius	4,000,000	2,000,000	4,000,000
Mozambique	7,000,000	11,000,000	15,000,000
Niger	5,000,000	5,000,000	7,000,000
Senegal	10,000,000	15,000,000	15,000,000
Seychelles	2,000,000	2,000,000	2,000,000
Somalia	35,000,000	30,000,000	35,000,000
Sudan	120,000,000	114,000,000	115,000,000
Zaire	10,000,000	10,000,000	15,000,000
Zambia	21,322,000	15,000,000	22,500,000
Zimbabwe	40,000,000	28,000,000	15,000,000
South Africa Regional	15,996,000	23,000,000	30,000,000
AFEPR	0	75,000,000	75,000,000
Subtotal	333,118,000	424,500,000	461,500,000
Asia:			
Fiji	0	0	1,000,000
Pakistan	225,000,000	200,000,000	250,000,000
Philippines	50,000,000	140,000,000	95,000,000
Thailand	[1]9,115,000	5,000,000	5,000,000
Subtotal	284,115,000	345,000,000	351,000,000

See footnote at end of table.

ECONOMIC SUPPORT FUND PROGRAM—FISCAL YEARS 1984–86—Continued

	Fiscal year—		
	1984 actual	1985 estimated	1986 request
Latin America and the Caribbean:			
Belize	0	$14,000,000	$4,000,000
Bolivia	0	0	10,000,000
Costa Rica	$130,000,000	160,000,000	150,000,000
Dominican Republic	34,000,000	95,000,000	50,000,000
Ecuador	0	0	15,000,000
El Salvador	120,234,000	285,000,000	210,000,000
Grenada	46,966,000	8,032,000	0
Guatemala	0	12,500,000	25,000,000
Haiti	5,096,000	5,000,000	5,300,000
Honduras	40,000,000	147,500,000	80,000,000
Jamaica	55,000,000	70,000,000	70,000,000
Panama	0	50,000,000	40,000,000
Peru	0	0	45,000,000
Caribbean Regional	30,820,000	20,000,000	35,000,000
ROCAP	0	98,000,000	91,500,000
LAC Regional	2,000,000	2,000,000	2,200,000
Subtotal	464,116,000	967,032,000	833,000,000
Near East and Europe:			
Cyprus	15,000,000	15,000,000	3,000,000
Egypt	852,949,000	815,000,000	815,000,000
Italy	10,000,000	0	0
Israel	910,000,000	1,200,000,000	1,200,000,000
Jordan	20,000,000	20,000,000	20,000,000
Lebanon	27,778,000	78,231,000	10,000,000
Morocco	7,000,000	15,000,000	22,500,000
Oman	15,000,000	20,000,000	20,000,000
Poland	0	[2] 10,000,000	0
Portugal	40,000,000	80,000,000	80,000,000
Spain	12,000,000	12,000,000	12,000,000
Tunisia	1,500,000	20,000,000	22,500,000
Turkey	138,500,000	175,000,000	150,000,000
Near East Regional	13,990,000	15,000,000	22,000,000
Subtotal	2,063,717,000	2,475,231,000 [3]	2,377,000,000
Central programs	1,100,000	1,000,000	1,500,000
Unallocated/transfer in	0	[3] 460,000	0
Program total	3,146,166,000	4,213,223,000	4,024,000,000

[1] Includes $4,115,000 of the $5,000,000 transferred in fiscal year 1983 from State's "Refugee and migration" account for antipiracy activities in the Gulf of Thailand.
[2] Includes $6,000,000 obligated through ASHA for Zablocki clinic.
[3] Includes reobligations, under deobligation/reobligation authority, through December 31, 1985.

Base rights countries.—Much of the assistance provided under this account goes to countries with which the Unted States has base rights and access agreements, such as Kenya, Somalia, the Philippines, Morocco, Portugal, Turkey, and Spain. This is also true for much of the funding which is provided under the military assistance accounts. The Committee notes the House report accompanying H.R. 3228 suggests that base rights agreements which result in the provision of foreign assistance are getting too expensive, and calls upon the administration to report by February 2, 1986, on the administration's plans for the next rounds of the negotiations on aid levels to each base rights country that could

take place between now and 1989. Such a report might well be helpful, and, in addition, this Committee would like this report to include an estimate of the replacement costs or whatever other extraordinary costs would be involved if we had to substitute something else for these base rights and access agreements. Specifically, for example, if we were required to give up Subic Bay Naval Base and Clark Airfield in the Philippines, how much would it cost to replace those facilities elsewhere?

Cyprus.—The Committee has earmarked $15,000,000 in Economic Support Funds for Cyprus. In addition, the Committee strongly recommends that a portion of these moneys be directed toward programs to decrease Cyprus' energy dependency on imported oil. The Committee has also included language requiring that the Agency for International Development source and origin regulations must be met for any offshore procurement. In the past, because the U.N. High Commissioner for Refugees has administered this program in Cyprus, U.S. funds have gone toward purchasing non-U.S. manufactured goods. The Committee believes this bill language is necessary to give the administration additional authority to insist that U.S. goods be considered in the Cyprus program.

The Committee strongly endorses the position consistently taken by the U.S. Government with respect to the importance of a negotiated settlement of the Cyprus problem. In that regard the action in the northern areas of the Republic of Cyprus continue to cause this Committee serious concern. In particular, the U.S. Government does not recognize the 1983 unilateral declaration of independence and the three separate elections held in 1985 whose objectives were to establish the framework of an independent state.

In the coming months the Committee will watch very closely developments in Cyprus before reaching a conclusion as to whether these levels of assistance to the countries involved in the Cyprus probem can be maintained.

Ecuador.—The Committee has included bill language which requires that $7,500,000 in Economic Support Funds for Ecuador be disbursed within 30 days after enactment of the legislation. This language is recommended in recognition of the severe economic situation in that country and because of the Committee's belief that Ecuador deserves strong U.S. Government support. The Committee notes, however, that the $7,500,000 which is subject to this rapid disbursement provision is not meant to be a ceiling on assistance for Ecuador—indeed, the administration may decide that it wants to disburse the entire $15,000,000 request for Ecuador in this same fashion.

Egypt.—The Committee is recommending an earmark of $815,000,000 for Egypt, of which $115,000,000 is earmarked for cash grant transfers and $200,000,000 for the Commodity Import Program. The Committee is recommending these earmarks because of past action by the administration decreasing amounts provided for the Commodity Import Program in order to shift funds to meet congressionally initiated cash trans-

fers. These actions defeated the primary purpose of the congressional initiative—that is, to help Egypt in its balance of payments problem. The administration's action has had an additional adverse affect inasmuch as a reduction in the Commodity Import Program has obviously translated into less goods being shipped from the United States, goods which are very important to U.S.-flag carriers. The Committee also notes that proposals currently under consideration which would increase project assistance at the expense of the Commodity Import Program is totally unacceptable and any such effort will meet with legislation from this Committee counteracting it.

El Salvador.—The Committee continues to be concerned about the criminal justice system in El Salvador. In the last 2 years, Congress has appropriated a total of $9,000,000 for judicial reform in El Salvador, and is recommending an additional $1,000,000 this year to continue that effort.

Significant progress has been made, including the establishment of a special investigative unit and additional training for prosecutors, but much remains to be done. Several cases of particular concern to the United States have made little or no progress, despite a firm commitment by President Duarte to give them high priority.

The Committee commends President Duarte for his commitment and his efforts to date. However, the Committee recognizes that pressures within El Salvador jeopardize the chance for real justice in cases like that involving the murders of Americans Messrs. Hammer and Pearlman and their associate in the Sheraton Hotel in San Salvador.

The Congress enacted a set-aside of 30 percent of the military assistance for El Salvador pending a verdict in the churchwomen's case, and the Committee believes this pressure had an impact in achieving that end. The Committee wishes to reaffirm the strong interest of the United States in seeing those involved in the Sheraton murders brought to justice promptly, and to indicate that future military assistance to El Salvador may be threatened if adequate progress is not made in this case.

Israel.—The Committee is recommending the appropriation of $1,200,000,000 under this account for the State of Israel. This amount is to be available on a cash grant transfer basis and is to be provided within 30 days of enactment of this act.

Mozambique.—The Committee has included bill language that limits funds appropriated for Mozambique under the Economic Support Fund to activities in support of the private sector and only through private voluntary organizations. The Government of Mozambique is Marxist-Leninist, and has had ties to the Soviet Union since its independence. However, there is a small, thriving private sector that the Committee believes should be supported. Therefore, it restricts government-to-government assistance, while allowing private sector programs to be funded.

Philippines.—The Committee has earmarked assistance under this account for the Philippines to demonstrate our commitment to support-

ing the process of reform currently underway in that country. The Committee believes that U.S. assistance can contribute to and be supportive of the revitalization of democracy in the Philippines. It is our intention to support the courageous men and women who are working from within the government and the military of the Philippines to preserve the integrity of their institutions.

PEACEKEEPING OPERATIONS

Appropriation, 1985	$44,000,000
Budget request, 1986	37,000,000
House allowance	34,000,000
Committee recommendation	34,000,000

For fiscal year 1986 the administration is requesting the appropriation of $37,000,000 for activities funded under the peacekeeping operations account.

The administration's request includes $9,000,000 for the U.S. contribution to the U.N. Forces in Cyprus and $28,000,000 for the Multinational Force and Obervers in the Sinai. Since the administration's formal budget request was received by the Committee, the Department of State has notified the Committee that due to completion of negotiations on the participation of Canada in the MFO, the U.S. contribution to the MFO will be reduced by $3,000,000. Thus the total required for peacekeeping activities for fiscal year 1986 is $34,000,000.

Notwithstanding the reduction due to the Canadian participation in the MFO, the administration has consistently overestimated the U.S. contribution to the MFO, resulting in carryovers each year since the inception of the MFO as shown in the following table:

Fiscal year	Projected	Actual	Carried over from previous fiscal year
1982	$125,000,000	$113,000,000	
1983	34,500,000	22,100,000	$12,000,000
1984	37,200,000	32,200,000	5,000,000
1985	35,000,000	28,000,000	7,000,000
1986 request	33,000,000	28,000,000	5,000,000

The Committee recognizes that the administration has consistently rolled over unused funds rather than wasting funds on unnecessary expenditures, and the Committee applauds the efforts to hold down costs. However, each year the administration has assured the Committee that its request for the MFO was an accurate reflection of need. It has not been the Committee's intention to fund more than absolutely necessary, and, therefore, the Committee has included bill language requiring that unused funds be reverted to the Treasury.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Appropriation, 1985	$391,533,250
Budget request, 1986	[1] 368,500,000
House allowance	387,000,000
Committee recommendation	372,200,000

[1] Excludes operating expenses for the Office of the Inspector General.

The Committee recommends the appropriation of $372,200,000 for AID operating expenses.

The administration's fiscal year 1986 request for Operating Expenses of the Agency for International Development is $4,533,250 less than what was provided for this purpose in fiscal year 1985, not including the budget amendment received by Congress which covers pay increases because Congress did not agree to a 5-percent pay reduction. The Committee understands that this reduced request is part of an overall effort by the administration to cut down administrative costs Governmentwide. Because the programs which are managed by the Agency require extensive hands-on management, the Agency must make some innovative adjustments to the way it does business in order to effectively manage its worldwide program. The Committee is making several recommendations, some mandated in the law and some suggested in this report, to help the Agency solve this problem. The steps being recommended by provisions in the law are as follows:

1. Under the Economic Support Fund, the Committee is earmarking $315,000,000 of the Egyptian program, $115,000,000 for cash transfer and $200,000,000 for commodity import programs, because such programs require far less man-hours than project assistance. The Committee would, therefore, expect that personnel requirements and related expenditures in the Cairo mission, one of the largest overseas missions the Agency has, would be lessened.

2. The Committee has included bill language which limits the number of employees in the Office of External Affairs, thus sparing program management personnel from cost-saving reductions. In making this recommendation, the Committee is not taking the position that the functions of the Office of External Affairs are unimportant. However, the Committee does agree with those critics of this Office who have suggested that expending resources in order to develop support for U.S. aid policies in Europe is probably not the best use of scarce foreign assistance dollars. The Committee believes that with 19 personnel, the Office of External Affairs can carry on its legitimate business adequately.

3. The Committee has included bill language which prohibits funding after March 1, 1986, of any activities flowing from authorities under the International Development Cooperation Agency [IDCA]. IDCA has been basically nonexistent anyway for the last several years, although there have been some activities which have taken up resources of the Agency for International Development under the old IDCA authority. By, in effect, eliminating IDCA, the Committee is making these resources available for AID purposes.

4. The Committee has provided language which places a ceiling of $15,000,000 for Foreign Affairs Administrative Support [FAAS] rather than $20,000,000 which has been provided over the last several years. While the Committee is including a discussion of this action within Committee initiatives to help the Agency for International Development alleviate its personnel shortages, it is an action which would have been recommended notwithstanding this problem. Committee staff, on visits to all parts of the world, have uniformly been informed by AID personnel in the field that under the FAAS system, AID is basically treated as a second-class organization by the Department of State, with AID personnel receiving support under this system after embassy personnel have been taken care of first. As an example, in an instance where FAAS may have brought in freezers for U.S. official personnel, the first such freezers would be provided to the embassy personnel and then if any were left over, AID would receive them. Clearly, if this is how the Agency is going to be treated under this system, it does not make sense to continue to provide the amounts of funds we have in the past.

In addition to the recommendations contained as part of bill language, the Committee would make the following additional suggestions to the Agency in order to help ameliorate the effects of reduced personnel:

1. The Committee believes the Agency should examine closely the number of AID personnel assigned to other Government agencies or private organizations on a nonreimbursable or reimbursable basis. The Committee believes there may well be too many people so assigned, which, of course, means that resources are being used for purposes other than management of the Agency's programs. The Committee directs AID to develop a plan which would reduce the number of personnel assigned in these categories to a bare minimum, and to provide the Committee with a report on this plan no later than April 1, 1986. Included in the report to the Committee should be a table showing the numbers of personnel so assigned broken down between reimbursable and nonreimbursable for each year since fiscal year 1980.

2. The Committee also believes the Agency should look at its opportunities for cost savings through greater use of extended tours for Agency personnel serving abroad. Creative approaches could make extended tours both more attractive to employees and less costly to the Agency. Clearly, a reduction in the costs for movement of personnel and household effects, as well as greater efficiencies derived from a less frequent disruption of mission personnel, would be beneficial to the Agency.

3. The Committee notes with approval the steps taken by Agency management to reduce the numbers of AID employees on the reassignment complement. We would encourage the Agency to continue its efforts to reduce both the size of the complement and the time during which employees await reassignment.

Minority set-aside.—The Committee has recommended bill language which is the same as current law earmarking a minimum of 10 percent of the development assistance funds to be available for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or native Americans.

Inspector General's Office in Cairo, Egypt.—The Committee has also included bill language that prohibits the use of any funds in this act from being used to relocate the regional Inspector General's Office in Cairo to any other country. This action is required due to an ill-advised recommendation which had been made by the Cairo mission in response to State Department desires to reduce personnel in Cairo. While the Committee might agree with the State Department that there may be too many official Americans in Cairo, the Committee believes the Inspector General's auditors and investigators remain a primary asset for dealing with continuing problems with AID's management of the Egyptian program. It is for this and many other reasons, fully discussed in the section dealing with the Inspector General's operating expenses, that the Committee recommends that a separate line item in the appropriations legislation be established for the operating expenses of the Inspector General's Office.

International Development Intern Program.—The Committee has included bill language requiring that not less than $1,200,000 of the funds made available for AID operating expenses be used for the International Development Intern [IDI] Program. The IDI Program has been an extremely useful means of recruiting and training junior Foreign Service officers. IDI's join the program, undergo training, and then are assigned overseas for a 2-year period. At the end of their tour, they may be selected to join the Foreign Service. The Committee expects the Agency to take prompt action to reactivate this valuable program.

AID dependent schools.—Under the authority of section 636(d) of the Foreign Assistance Act, funds may be used to provide assistance to schools outside the United States in order to provide for the education of AID dependents. The Committee has recommended an earmarking of $2,500,000 for a fiscal year 1986 contribution to such schools.

Though minimal in terms of its impact on the overall budget, the Agency's proposed reduction in funding for this activity would, in the opinion of the Committee, have a disproportionate effect on employee morale, especially in those harsh duty posts where the American sponsored school is the only opportunity for children of AID and State Department employees to get an in-country education and thus live with their parents. The Committee intends its earmarking as a signal to AID

employees that it continues to support their efforts in development assistance, and that it recognizes the often harsh conditions under which they perform their duties.

The additional funds appropriated and earmarked for the International Development Intern Program and to carry out the provisions of section 636(d) of the Foreign Assistance Act are authorized by section 667(a)(2) of that act.

The following three tables show the funding sources for AID operating expenses, a comparison of operating expenses to program funds, and operating expenses by object, class, and major location.

FUNDING OF AID OPERATING EXPENSES

[In millions of dollars]

Funding sources	Fiscal year—		
	1984 actual	1985 estimate	1986 proposed
Operating expense requirements	410.6	442.1	430.4
Less:			
Dollar fees	(5.7)	(7.3)	(7.7)
Local currency trust funds[1]	(29.5)	(38.4)	(32.0)
Appropriated funding level	375.4	396.4	390.7
Less:			
Reimbursements	(4.1)	(3.7)	(3.7)
Prior-year funds available		(1.2)	
Deferral 83-1	(0.2)		
Current year carried forward	1.2		
Lapsed funds	0.2		
New budget authority	372.5	391.5	387.0

[1]The increase in trust funds is primarily for the special trust fund account established in Sudan.

COMPARISON OF OPERATING EXPENSES TO PROGRAM FUNDS[1]

[Fiscal years 1980 thru 1986]

[In millions of dollars]

	Fiscal year—						
	1980 actual	1981 actual	1982 actual	1983 actual	1984 actual	1985 estimate	1986 proposed
Development assistance	1,239.9	1,308.9	1,396.2	1,441.4	1,468.5	1,846.2	1,680.9
American schools and hospitals abroad	25.0	20.0	20.0	20.0	30.0	30.0	10.0
Disaster assistance	55.9	51.5	72.1	103.2	207.5	99.0	25.0
Miscellaneous prior year accounts	.....	2.1	1.2	1.5	.....	1.1	.....
Economic Support Fund	2,158.1	2,199.3	2,770.3	2,971.5	3,146.2	4,213.2	[2]2,824.0
Foreign currency programs overseas training	0.4	20.7	0.9	1.6	.....	.....	.....
Total program	3,479.3	3,602.5	4,260.7	4,539.2	4,852.2	6,189.5	5,739.9
Operating expenses	273.1	302.8	332.1	357.0	375.3	396.4	390.7
Total budget	3,752.4	3,905.3	4,592.8	4,896.2	5,227.5	6,585.9	6,130.6
Operating expenses as percent of:							
Total program	7.8	8.4	7.8	7.9	7.7	6.4	6.8
Total budget	7.3	7.8	7.2	7.3	7.2	6.0	6.4

[1] Data excludes amounts for Public Law 480 programs and refugee assistance for which AID has extensive management responsibilities, peacekeeping operations, and payments to the Foreign Service Retirement and Disability Fund.

[2] Excludes ESF for Israel, which was $2,700 in fiscal year 1985. If same level prevails in fiscal year 1986, then operating expenses as a percent of total program would be 5.6 and as a percent of total budget would be 5.3.

AID OPERATING EXPENSES BY OBJECT CLASS AND MAJOR LOCATION

[In millions of dollars]

Object class	Fiscal year—		
	1984 actual	1985 estimate	1986 proposed
11 Personnel compensation:			
AID Washington	86.0	97.8	87.1
Overseas	108.2	104.8	106.2
Total	194.2	202.6	193.3
12 Personnel benefits:			
AID Washington	8.8	9.1	8.5
Overseas	17.3	19.9	20.1
Total	26.1	29.0	28.6
13 Benefits-former personnel:			
AID Washington	.1	.1	.1
Overseas	.7	.3	.3
Total	.8	.4	.4

AID OPERATING EXPENSES BY OBJECT CLASS AND MAJOR LOCATION—Continued

[In millions of dollars]

Object class	Fiscal year— 1984 actual	1985 estimate	1986 proposed
21 Travel and transportation of persons:			
AID Washington	4.2	4.6	4.6
Overseas	15.3	17.5	17.0
Total	19.5	22.1	21.6
22 Transportation of things:			
AID Washington	.5	.5	.5
Overseas	11.2	11.7	11.1
Total	11.7	12.2	11.6
23 Rent, communications, and utilities:			
AID Washington	10.6	14.3	16.5
Overseas	21.4	25.2	26.1
Total	32.0	39.5	42.6
24 Printing and reproduction:			
AID Washington	1.4	1.4	1.4
Overseas	.1	.2	.3
Total	1.5	1.6	1.7
25 Other services:			
AID Washington	20.7	17.8	24.4
Overseas	40.5	45.8	44.1
Total	61.2	63.6	68.5
26 Supplies and materials:			
AID Washington	1.2	1.3	1.4
Overseas	6.2	6.9	6.9
Total	7.4	8.2	8.3
31 Equipment:			
AID Washington	1.3	2.5	1.1
Overseas	15.8	13.3	12.3
Total	17.1	15.8	13.4
32 Lands and structures:			
AID Washington			
Overseas	2.1	.7	.5
Total	2.1	.7	.5
41 Grants, subsidies, contributions:			
AID Washington			
Overseas	1.5	.5	
Total	1.5	.5	

AID OPERATING EXPENSES BY OBJECT CLASS AND MAJOR LOCATION—Continued

[In millions of dollars]

Object class	Fiscal year— 1984 actual	1985 estimate	1986 proposed
42 Insurance claims and indemnities:			
AID Washington			
Overseas	.2	.2	.2
Total	.2	.2	.2
Summary			
AID Washington	134.8	149.4	145.6
Overseas	240.5	247.0	245.1
Total	375.3	396.4	390.7

OPERATING EXPENSES OF THE OFFICE OF INSPECTOR GENERAL

Appropriation, 1985	
Budget request, 1986	$25,200,000
House allowance	
Committee recommendation	25,200,000

Over the years this Committee has expressed its concern—in legislation, in hearings, and in reports—over the manner in which the activities of the Office of the Inspector General are administered by the Agency for International Development. The Committee has identified a number of problems in the past which it has had to correct through various means, including legislation. For fiscal year 1986, the Committee is recommending that the operating expenses of the Office of Inspector General be included in the appropriation bill as a separate line item. The Committee's recommendation will bring to eight the number of statutory inspectors general whose operations are funded by a line item appropriation separate and distinct from the general operating expenses of their departments or agencies.

The House Committee on Government Operations issued a report on April 17, 1985, entitled "The Impact of the Budget Process on Offices of Inspector General" which this Committee believes fully justifies—in fact, encourages—the establishment of a separate line item for the Inspector General of AID. The opening two paragraphs of that report succinctly describe the problem:

> The independent status of statutorily established Offices of Inspectors General is critical to the ability of those offices to function objectively and to reach unbiased conclusions and recommendations. Despite this importance, however, this unique status is not recognized in budget procedures of the Office of Management and Budget and most executive branch agencies. Offices of Inspector General are generally subject to the same budget procedures as program offices—imposed ceilings, review by program officials, and control by management.
>
> Potential exists for the independence of an Office of Inspector General to be impaired to the extent that agency management officials below the level of the head of the agency or the deputy can, through administrative budget procedures, exercise control over Inspector General operations. Although the Inspector General Act of 1978 does not include special provisions for determining the levels of budget and staffing for the Offices of Inspector General, its provisions are clearly designed to provide the Inspector General the degree of independence necessary to operate effectively.

After the report examines the various aspects of the problem, it makes specific recommendations as follows:

1. Agency management and the Office of Management and Budget should support Inspectors General in identifying and eliminating potential impairments to Inspector General independence.

2. Agency management should formulate agency procedures to assure that officers below the level of the agency head or deputy cannot interfere with the Inspector General's implementation of the act establishing Offices of Inspector General.

3. Agency program and administrative officers should be removed from the review process for budget and staffing proposals of the Office of Inspector General.

4. The Office of Management and Budget should revise its administrative requirements to assure that their provisions do not impair the independence of the Inspector General.

5. Each Inspector General should review his or her role in agency operations and eliminate any areas that create a potential conflict or the appearance of a conflict of interest or impairment to the Inspector General's independence. Inspectors General should also use the semiannual report to the Congress, as well as informal contacts, as opportunities to voice concern over their independent status within their agencies.

6. Needs assessments and vulnerability studies should be conducted to provide reliable data on which requests for Inspector General resources can logically be based.

7. Agency budgets should clearly specify funds designated for the Office of Inspector General.

8. Funds for Offices of Inspector General should be specified by the Congress as "funding floors," which would prohibit an agency from reprogramming funds out of the Inspector General account, while allowing the Inspector General the flexibility of obtaining other agency funds should unforeseen requirements for audit or investigation develop.

9. Inspectors general should individually and as a group assure that agency management and OMB budget officers are knowledgeable of the independent status of the Inspectors General and the requirements of the 1978 act.

Most of the recommendations contained above are satisfied by the creation of a separate line item. The funding level the Committee is providing will enable the Inspector General to support 193 full-time equivalent employees in the budget request. The Committee's recommended funding level also provides the requested amount for security programs. The Committee, however, believes the Agency should reexamine security needs, and if necessary, transfer additional resources for this purpose from the regular AID operating expenses account. In the current world environment of violence and terrorism, particularly in the lesser developed regions in which AID operates, this is a requirement which increasingly concerns the Committee.

The following table shows the Office of the Inspector General's operating expenses by object class.

Object classification

Identification code		*1986 estimate*
	Personnel compensation:	
11.1	Full-time permanent	$11,114,440
11.3	Other than full-time permanent	696,900
11.5	Other personnel compensation	126,000
11.9	Total personnel compensation	11,937,340
12.1	Personnel benefits: Civilian	1,752,500
21.0	Travel and transportation of persons	2,149,200
22.0	Transportation of things	522,300
23.1	Standard level user charges	1,493,500
23.2	Communications, utilities and other rent	1,625,000
24.0	Printing and reproduction	53,000
25.0	Other services	5,459,400
26.0	Supplies and materials	41,200
31.0	Equipment	166,500
99.9	Total obligations	25,200,000

TRADE CREDIT INSURANCE PROGRAM

Appropriation, 1985	($300,000,000)
Budget request, 1986	(200,000,000)
House allowance	(200,000,000)
Committee recommendation	(300,000,000)

The Trade Credit Insurance Program, part of the recommendations by the National Bipartisan Commission on Central America, was initially requested by the administration at a level of $300,000,000 for fiscal year 1985. Under the program, the Export-Import Bank provides short-term insurance, in turn guaranteed by the Agency for International Development, in support of exports from the United States to the private sectors in El Salvador, Honduras, Costa Rica, Guatemala, and Belize. Individual 1-year lines of credit in favor of banks in these countries have been opened by U.S. banks, with insurance provided pursuant to the program. It is expected that approximately $255,000,000 in allocations will have been approved by the Export-Import Bank for insurance by the end of fiscal year 1985.

The Committee is aware of corporate concerns about the implementation of the Trade Credit Insurance Program. There have been complaints that the local banks in the Central American region were not aware of this program or of the commodities qualifying for AID guarantees under this program.

The Committee directs that AID, in cooperation with the Export-Import Bank, take steps to ensure that local Central American buyers are made aware of the availability of the TCIP Program and to assist U.S. exporters in obtaining the necessary agreements with the local Central American banks. The Committee also asks that the Administrator of AID report to the Committee by April 30, 1986, on what steps have been taken by that date, or will be taken during the fiscal year, to accomplish this directive. This report should include recommendations to correct any shortcomings that are identified.

The Committee recommends approval of $300,000,000 for the Trade Credit Insurance Program to ensure its effective operation. As a result, the Export-Import Bank will be able to renew existing lines of credit for an additional 1-year period and/or approve new 1-year lines of credit up to a total aggregate amount of $300,000,000 outstanding under the program at any one time.

TRADE AND DEVELOPMENT PROGRAM

Appropriation, 1985	$21,000,000
Budget request, 1986	20,034,000
House allowance	18,900,000
Committee recommendation	20,034,000

The basic thrust of the Trade and Development Program is to involve U.S. private sector firms in the early planning stages of programs and projects in order to improve their position as potential participants and suppliers in overseas development projects.

The Committee recommends the appropriation of $20,034,000, the budget request.

HOUSING GUARANTY PROGRAM

Limitation on guaranteed loans:	
Appropriation, 1985	($160,000,000)
Budget request, 1986	(45,000,000)
House allowance	(144,000,000)
Committee recommendation	(160,000,000)

The Housing Guaranty Program is the Agency for International Development's major effort in the area of shelter and related services. The program finances slum and squatter settlement upgrading, site preparation and services, core housing, low-cost housing units, and community facilities and services. The program underwrites private sector financing through a full faith and credit guarantee. Since its inception in the early 1960's, 180 projects have been carried out in 44 countries. In fiscal year 1985 the program will finance new projects in 10 countries.

The Committee recommends a limitation on guaranteed loans of $160,000,000, the same as provided in fiscal year 1985.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Limitation on direct loans:	
Appropriation, 1985	($15,000,000)
Budget request, 1986	(15,000,000)
House allowance	(13,500,000)
Committee recommendation	(15,000,000)
Limitation on guaranteed loans:	
Appropriation, 1985	(150,000,000)
Budget request, 1986	(150,000,000)
House allowance	(135,000,000)
Committee recommendation	(150,000,000)

The Overseas Private Investment Corporation [OPIC] was created in 1969 as a wholly owned government corporation to mobilize and facilitate the participation of U.S. private capital and skills in the economic and social development of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States. OPIC's programs include political risk insurance, limited amounts of loan guarantees and direct loans, and reinsurance operations. OPIC does not receive any direct appropriations from Congress, although Congress is responsible for providing yearly limitations of their activities.

The Committee recommends approval of the request for $15,000,000 in direct loans and $150,000,000 in guaranteed loans.

INTER-AMERICAN FOUNDATION

Appropriation, 1985	$11,992,000
Budget request, 1986	8,800,000
House allowance	10,792,800
Committee recommendation	11,969,000

The Inter-American Foundation, a highly successful program initiated by Congress and in operation since 1969, supports small scale, community-based development projects and programs in Latin America. The Foundation responds to initiatives by local entities with an emphasis on agriculture and rural development. The principal beneficiaries of the program are, therefore, farmers who are working to increase their production and to expand markets. In urban areas, the Foundation promotes small businesses, as well as organizations whose purpose it is to assist small businesses. The Foundation has recently allocated an increased proportion of its activities for training and educational programs.

The Committee recommends the appropriation of $11,969,000, the authorization level.

AFRICAN DEVELOPMENT FOUNDATION

Appropriation, 1985	$1,000,000
Budget request, 1986	1,012,000
House allowance	4,000,000
Committee recommendation	1,012,000

The Committee is recommending the appropriation of $1,012,000, the budget request. The African Development Foundation has over $2,000,000 in no-year funds from which to draw during fiscal year 1986. The Committee believes that these funds, along with a $1,012,000 appropriation for fiscal year 1986, will be sufficient for the Foundation to carry out its mandate. The Foundation has made significant progress over the last year, and the Committee believes it deserves support.

PEACE CORPS

Appropriation, 1985	$128,600,000
Budget request, 1986	125,200,000
House allowance	128,600,000
Committee recommendation	130,000,000

The Committee recommends the appropriation of $130,000,000, the authorization level, for the Peace Corps. The Committee does not believe a cut to this program is justified as requested by the administration, especially in light of the Peace Corps' new initiative in the drought regions in Africa. The Committee supports the Peace Corps' efforts in Africa, and hopes that this new initiative, combined with other programs in Africa, will help to meet long-term development needs in the drought stricken regions.

INTERNATIONAL NARCOTICS CONTROL

Appropriation, 1985	$50,217,000
Budget request, 1986	57,709,000
House allowance	57,529,000
Committee recommendation	57,529,000

The Committee recommends the appropriation of $57,529,000 for the Narcotics Control Program of the Department of State, the authorization level.

The following table details the proposed functional allocation for fiscal year 1986, and compares it with fiscal year 1985 and fiscal year 1984:

INTERNATIONAL NARCOTICS CONTROL PROGRAM BY FUNCTIONAL ACTIVITY

[Dollars in thousands]

	Actual fiscal year 1984	Percent of total	Planned fiscal year 1985	Percent of total	Request fiscal year 1986	Percent of total
Crop control/eradication	$15,950	39	$21,920	44	$22,100	38
Enforcement assistance and interdiction	10,935	27	12,820	26	18,795	33
Income replacement/development assistance	2,180	5	1,625	3	2,150	4
International organizations	2,575	6	2,817	6	2,900	5
International drug demand reduction	620	1	600	1	765	1
Training	3,200	8	3,650	7	3,850	7
Program development and support	5,681	14	6,785	13	6,969	12
Total program	41,141		50,217		57,529	

The administration has proposed the following allocation of international narcotics control assistance for fiscal year 1986:

INTERNATIONAL NARCOTICS CONTROL PROGRAM—FISCAL SUMMARY

[In thousands of dollars]

	Fiscal year 1984 actual	Fiscal year 1985 request	Fiscal year 1986 request
Country program:			
Latin America:			
Bolivia	2,670	5,500	3,960
Brazil	0	250	750
Colombia	6,765	10,300	10,600
Ecuador	72	0	300
Mexico	8,318	8,900	10,100
Peru	2,805	3,500	4,350
Latin America regional	1,755	1,000	2,000
Subtotal	22,385	29,450	32,060
East Asia:			
Burma	2,447	5,000	6,000
Thailand	3,005	2,800	3,900
East Asia regional	170	300	300
Subtotal	5,622	8,100	10,200
Southwest Asia:			
Pakistan	3,350	2,000	4,470
Turkey	1,000	900	920
Southwest Asia regional	85	100	100
Subtotal	4,435	3,000	5,490
Total country programs	32,442	40,550	47,750
International organizations:			
U.N. Fund for Drug Abuse Control	2,500	2,742	2,825
Colombo plan	75	75	75
Subtotal	2,575	2,817	2,900
Inter-regional programs:			
Demand reduction	400	400	400
DEA training	1,990	2,200	2,320
Customs training	1,020	1,150	1,230
INM-EOP training	190	300	300
Subtotal	3,600	4,050	4,250
Program development and support	2,524	2,800	2,629
Total INM Program	41,141	50,217	57,529

MIGRATION AND REFUGEE ASSISTANCE

Appropriation, 1985	$338,000,000
Budget request, 1986	337,930,000
House allowance	292,950,000
Committee recommendation	344,730,000

The administration has requested the appropriation of $337,930,000 for this program in fiscal year 1986. The administration proposes that this request be distributed as follows:

Migration and refugee assistance fiscal year 1986 budget request

Refugee admissions to the United States:	
Voluntary agencies abroad	$15,000,000
Transportation	36,300,000
Voluntary agency placement	60,520,000
English language training	18,280,000
Subtotal	130,100,000
Indochinese Refugee Program:	
UNHCR program in Southeast Asia	12,700,000
ODP	800,000
Antipiracy	1,000,000
Khmer relief	12,000,000
Subtotal	26,500,000
Soviet and Eastern European:	
Refugees resettling in Israel	12,500,000
African Refugee Program:	
Contributions to international organizations	48,500,000
Refugee assistance	2,500,000
Subtotal	51,000,000
Near East Program:	
Relief for Afghan refugees	20,000,000
United Nations Relief and Works Agency	67,000,000
Subtotal	87,000,000
Latin American Program	15,700,000

Migration and refugee assistance fiscal year 1986 budget request—Continued

International organizations:	
Intergovernmental Committee for Migration	$5,000,000
International Committee of the Red Cross	2,000,000
Subtotal	7,000,000
Administrative expenses	8,130,000
Total	337,930,000

NOTE.—The above table details the Department of State's budget request for the Office of Refugee Programs only. Activities carried out by the Office of the U.S. Coordinator for Refugee Affairs are funded by the Office of the Secretary of State.

The Committee recommends the appropriation of $344,730,000 for this account, the authorization level.

The following table details the Department of State's administrative request for the Office of Refugee Programs:

Refugee related operating expenses fiscal year 1986 budget request

Object class:	
Salaries	$4,599,000
Benefits	615,000
Travel of persons	709,000
Transportation of things	51,000
Communications, utilities, and other rents	756,000
Printing and reproduction	43,000
Other services	1,010,000
Supplies and material	102,000
Equipment	245,000
Total	8,130,000

Administrative expenses.—The Committee is providing $8,150,396 for administrative expenses, the same as last year, but because of other administrative expense savings, this figure will allow for additional personnel which the State Department has requested. Over the last 2 fiscal years, the Committee has recommended against an increase in personnel, but believes such an increase is now justified.

Africa, antipiracy, and the International Committee of the Red Cross.—The Committee has included bill language earmarking funds under this account for African refugee programs, the Antipiracy Program, and the International Committee of the Red Cross. In the case of Africa, this is $5,000,000 more than requested; for the Antipiracy Program the Committee is earmarking $500,000 more than requested; and the earmark for the International Committee of the Red Cross is $1,500,000 more than requested.

Hemispheric migration project.—The Hemispheric Migration Project, which was undertaken with the strong encouragement of this Committee, is completing its first year with promising early findings on the causes and consequences of international migration for the sending countries. Knowing how migrants may be productively engaged in the development of their own countries is useful not only to policymakers concerned with stemming the increasingly spontaneous and illegal mi-

gration to the United States, but also those concerned with U.S. foreign assistance strategies. The groundwork has been laid to continue this collaborative effort with hemispheric researchers and Government institutions to provide updated information and critical analysis upon which to base policy decisions of importance to the sending countries and to the United States.

To date, the project has been a joint effort by the Center for Immigration Policy and Refugee Assistance of Georgetown University and the Intergovernmental Committee for Migration. However, in order to effect administrative economies and strengthen project management, the Committee directs that CIPRA manage the project in the future and that not less than $800,000 of fiscal year 1986 funds be allocated by the Bureau of Refugee Programs for this purpose.

Khmer refugees in Thailand.—The Committee is concerned by the evident danger posed to refugees from Kampuchea who have recently been relocated from camps within Thailand to a site which, while still in Thailand, is within 2 kilometers of the Thai/Kampuchean border. This site, named simply site 2, now has a population of some 60,000 refugees; when present consolidation plans are implemented, the camp will have a population in excess of 120,000. This location is in harm's way. It lies well within artillery range of Vietnamese units occupying the border region of Kampuchea.

It will be recalled that many of the 225,000 Khmer refugees now in Thailand were driven out of their camps inside Kampuchea by the Vietnamese army on Christmas Day 1984. On that day, without regard to the presence of women and children or to the protected refugee status of the Khmer in U.N. High Commissioner for Refugee [UNHCR] camps, the Vietnamese shelled camps on the Thai/ Kampuchean border. As the Khmer fled into Thailand, Thai authorities, while granting them sanctuary, were insistent that they not be considered as refugees resettled in Thailand but rather as displaced persons who would return to their homeland as soon as conditions would permit them to do so.

The Committee has received reports that Thai authorities have continued rigidly to insist that the distinction between displaced persons and refugees be maintained. According to these reports, Thai authorities continue to resist any assistance to the refugees which might bear the suggestion that they are being resettled in Thailand. As an example, it has been noted that the Thai authorities have blocked efforts designed to help the refugees become self-supporting.

It has been further reported that Thai officials have also blocked efforts by the United States to initiate measures which would lead to the resettlement in the United States of Khmer who have family members living in our country. This seemingly contradictory behavior is explained by the fact that the Thai are fearful that, once the United States has resettled the so-called family card holders, the remaining Khmer will be left to the sole responsibility of the Thai Government. In other words, the Thai position is said to be, if you want to take some, you have to take them all.

Thai authorities have also attempted to consolidate the refugees in fewer camps where their activities might be more closely monitored and controlled. The Thai are concerned that Khmer refugees in Thailand might prove to be an attraction to other dissatisfied Khmer in Kampuchea.

The Committee, while not necessarily subscribing to the views and impressions conveyed in these reports, nonetheless, believes that they merit consideration and attention. Therefore, we expect a timely report from the Department of State's Bureau of Refugee Programs on the contribution of the Thai Government to the care of refugees. This report should comment directly on the position of the Thai Government with respect to efforts to provide resettlement of family card holders and with respect to income-producing opportunities for the Khmer in Thailand. The Committee has no quarrel with the Thai Government's concern that it not be unduly burdened by a Khmer refugee population which ought to be of international concern. On the contrary, the Committee believes that closer cooperation between the Thai Government, U.S. refugee program officials, and international refugee officials could work to reduce that burden and to ease the suffering of Khmer victims of Vietnamese aggression.

More pointedly, the Committee calls upon the Department of State to make the safety of Khmer refugees on the Thai/Kampuchean border a matter of concern, not only to officials in the Bureau of Refugee Programs, but also to all offices which have responsibilities for economic and military assistance programs, as well as other bilateral relations with Thailand. In this regard, the Committee expects prompt action by the Department to achieve the relocation of refugees to a site in Thailand which is beyond the immediate danger posed by Vietnamese artillery located in Kampuchea.

The Committee recognizes the need for an education program for the vast majority of refugees along the Thai-Cambodian border who will not be eligible for third-country resettlement. Presently the quality of life at the border camps is marked by idleness and desparation. A comprehensive education program which would prepare these refugees for the possibility of a return to their homeland pursuant to a negotiated settlement between the Khmer resistance groups and the Vietnamese, is an integral element of an orderly program of repatriation. The State Department should explore the possibility of implementing immediately a border education program managed by the Thai Government and UNBRO, and should report to Congress with a cost analysis of such a program, within 6 months.

Vietnamese refugees in Thailand.—It has been reported to the Committee that there are approximately 3,800 Vietnamese refugees in a compound at site 2, the Khmer refugee camp located at Dong Ruk, Thailand 2 kilometers from the border with Kampuchea. The Vietnamese refugees are in an area separated from the much larger Khmer camp at site 2 by no more than a few strands of barbed wire. Because they are ethnically related to the Vietnamese occupiers of Kampuchea, the Viet-

namese at site 2 are regarded by the Khmer with considerable enmity and suspicion. Many Khmer think of them as spies or a fifth column for Communist Vietnamese aggressors.

The so-called overland Vietnamese at site 2 have a particularly tragic history. At great risk, and often with great personal loss, they fled the Communist regime which seized power in Vietnam in 1975. In the struggle to cross Kampuchea to freedom, many of these refugees suffered depredation and the death of family members at the hands of Communist Vietnamese or the Khmer Rouge. Prior to their escape, many had been held for prolonged periods in reeducation camps in Vietnam; many of them are former Army of Vietnam [ARVN] officers and soliders who were forced to hide their association with the United States in order to survive. Now, stripped of their pride and fortune by circumstance and seemingly abandoned by their former comrades in arms, these people are on the edge of despair.

They are also in peril. Not only are they held suspect by the more numerous Khmer, they are also likely to be the targets of the Vietnamese Communists who have assembled in Kampuchea 160,000 troops, armed with artillery, tanks, and helicopters. If, as appears probable, the Vietnamese Communists invade Thailand again in this year's dry season, the fate of the overland Vietnamese is all but certain.

The Committee calls upon the Department of State to take urgent and extraordinary steps to remove the overland Vietnamese to a safe haven, either in Thailand or in another location, where they may be joined with other Vietnamese refugees. Predictably, arguments will be raised that to give special consideration to these refugees will lead to demands by others for special consideration as well. The Committee believes that this situation is unique and that the threat to life is so imminent as to make prompt and decisive action the only recourse.

Therefore, the Committee has provided bill language making up to $2,500,000 available for the orderly movement of these refugees to a site where they will be safe and could be processed for emigration to other countries.

ICARA II.—The Committee once again reaffirms its support for the funding of ICARA II (International Conference on Assistance to Refugees in Africa) type projects, which would provide transitional recovery assistance to refugees in Africa. Report language recommending the use of funds for ICARA II type projects was included in the conference report of the African Famine Relief and Recovery Act of 1985 and the House and Senate Committee reports on the urgent supplemental appropriations for emergency famine relief and recovery in Africa.

Similar language encouraging the use of funds for ICARA II type projects has also been included in the reports of two other funding bills for fiscal year 1986: the conference report on the Department of State authorization and the House Committee report on the International Security and Development Cooperation Act of 1985.

It is the Committee's understanding that no moneys have been allocated to fund ICARA II type projects in fiscal year 1985. To insure that

the intent of Congress is adhered to and that funds for ICARA II type projects be allocated in fiscal year 1986, the Committee requests that the Department of State report to the House and Senate Appropriations Committees within 30 days of the enactment of this legislation with its plan for the funding of ICARA II type projects and its justification for not having funded ICARA II type projects during fiscal year 1985.

ANTITERRORISM ASSISTANCE

Appropriation, 1985	$5,000,000
Budget request, 1986	32,000,000
House allowance	5,000,000
Committee recommendation	9,840,000

Antiterrorism assistance is a program begun in fiscal year 1984 as a response to international terrorists tactics such as hostage taking and aircraft hijacking. The basic purpose of this program is to train civil foreign law enforcement officials and the provision of equipment which will serve to prevent, deter, and respond to international terrorism.

Since the inception of this program, a number of problems have arisen over its management and implementation which has resulted in a very slow start. These problems are also evident in the inordinately long period of time it took the State Department to come forward with the Counterterrorism Program for Central America, which was only received on September 27, 1985, despite the priority placed on the program by the President.

It has become clear to the Committee that one of the primary causes for these problems rests with the fact that the Department's approach to matters of antiterrorism policy and antiterrorism functions has been fragmented. Accordingly, the Committee is pleased that, as a result of a recommendation by the Secretary of State's Advisory Panel on Overseas Security, chaired by Adm. Bobby Inman, and based in part upon consultations with the Senate Foreign Relations Committee and the Appropriations Subcommittee for State, Justice, and Commerce, that the Department has agreed to consolidate its functions under a new Bureau of Diplomatic Security.

However, the Committee remains concerned about the Department's decision to place the new bureau under the Office of the Under Secretary for Management, whose responsibilities primarily involve the housekeeping activities of the day-to-day running of the Department. Instead, the Department should consult with the relevant committees of Congress as to the proper office through which this new bureau should report.

The Committee notes that several of the countries which may participate in this program are developed countries who can easily bear the expense involved in training and other activities of the program. Therefore, the Committee would expect that none of these funds would be used for such countries.

The Committee recommends the appropriation of $9,840,000, the authorization level.

Counterterrorism Program for Central America.—The Committee is deferring both the request under this account and under the "Military Assistance Program" account for the Central America Counterterrorism Program until such time as the authorization process has been completed, and the Committee has had a chance to hold hearings to further examine this request. The Committee would anticipate that it would be prepared to make recommendations in the context of a fiscal year 1986 supplemental.

TITLE III

MILITARY ASSISTANCE

Military Assistance Grants

Appropriation, 1985	$805,100,000
Budget request, 1986	976,350,000
House allowance	739,648,000
Committee recommendation	805,100,000

The Military Assistance Program [MAP] provides grant defense articles and services to friendly foreign countries. This 30-year-old program will provide materials for 36 countries in fiscal year 1986.

El Salvador.—The Committee has provided bill language which requires reports that are mandated in the authorization legislation to be made available to the Committees on Appropriations, as well as the authorizing committees. The Committee is also recommending language which eliminates the necessity for duplicative reports as required under earlier law.

Philippines.—The Committee has earmarked assistance under this account for the Philippines to demonstrate our commitment to supporting the process of reform currently underway in that country. The Committee believes that U.S. assistance can contribute to and be supportive of the revitalization of democracy in the Philippines. It is our intention to support the courageous men and women who are working from within the government and the military of the Philippines to preserve the integrity of their institutions.

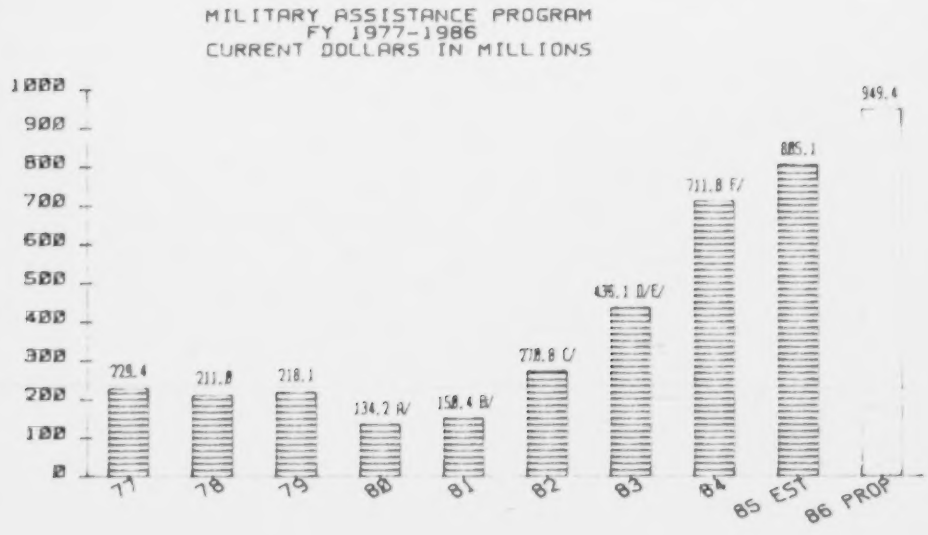
Tunisia.—In recognition of heightened tension between Tunisia and Libya, as well as the unquestionable requirement of Tunisia for assistance in providing for its own defense, the Committee recommends bill language to provide $16,000,000 in grant military assistance to Tunisia.

Turkey.—The Committee has provided a limitation on assistance under this account for Turkey of $215,000,000, consistent with provisions of the authorization legislation. This matter is discussed in further detail under the Foreign Military Credit Sales Program.

Central America Counterterrorism Program.—The Committee is deferring at this time the request for $27,000,000 in additional MAP funding which is being sought in connection with the Central American Counterterrorism Program. The Committee will consider this at a later time, after authorization legislation is enacted, and the Committee has had an opportunity to hold hearings.

The Committee is recommending the appropriation of $805,100,000, the authorization level.

The following graphs illustrate the funding of this program in current and constant dollars since fiscal year 1977:



A/ INCLUDES $1.1 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY.

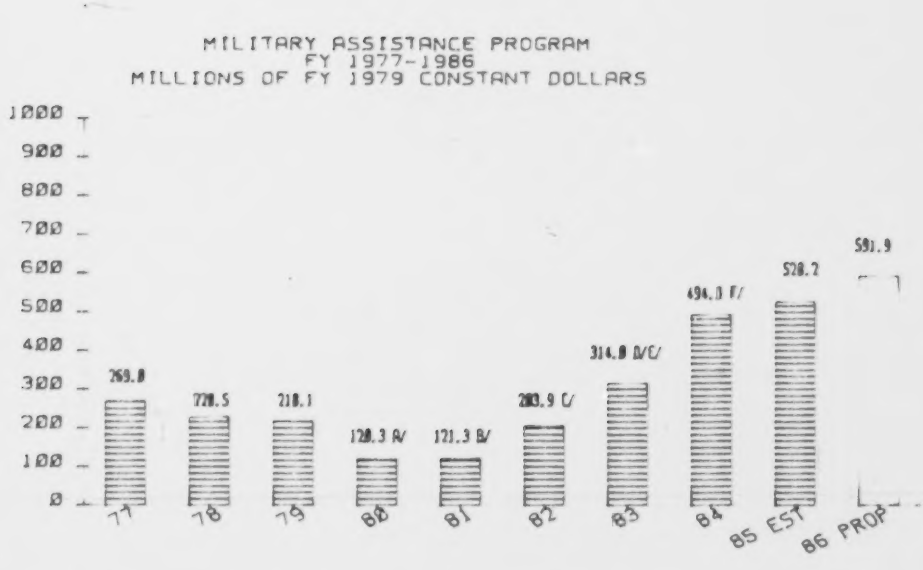
B/ INCLUDES $26 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY.

C/ INCLUDES $55 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY.

D/ INCLUDES SUPPLEMENTAL OF $93.3 MILLION.

E/ INCLUDES $25 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY.

F/ INCLUDES SUPPLEMENTAL OF $201.8 MILLION.



A/ INCLUDES $1.0 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY.

B/ INCLUDES $21 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY.

C/ INCLUDES $41.4 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY.

D/ INCLUDES SUPPLEMENTAL OF $67.2 MILLION.

E/ INCLUDES $18.0 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY.

F/ INCLUDES SUPPLEMENTAL OF $140.2 MILLION.

The following table provides country level detail of the current and proposed Military Assistance Program.

MILITARY ASSISTANCE PROGRAM BUDGET AUTHORITY/OBLIGATIONS

[In thousands of dollars]

	Actual fiscal year 1984		Estimated fiscal year 1985			Proposed fiscal year 1986	
	Budget authority	Obligations	Carry forward	New budget authority	Obligations	Budget authority	Obligations
East Asia and Pacific:							
Burma	0	0	0	0	0	1,000	1,000
Fiji	0	0	0	300	300	300	300
Philippines	0	0	0	25,000	25,000	50,000	50,000
Thailand	5,000	5,000	0	5,000	5,000	5,000	5,000
Regional total	5,000	5,000	0	30,300	30,300	56,300	56,300
Near East and South Asia:							
Morocco	30,000	30,000	0	40,000	40,000	45,000	45,000
Tunisia	18,000	18,000	0	15,000	15,000	16,000	16,000
Yemen	4,000	4,000	0	5,000	5,000	6,000	6,000
Regional total	52,000	52,000	0	60,000	60,000	67,000	67,000
Europe:							
Portugal	60,000	60,000	0	70,000	70,000	70,000	70,000
Turkey	130,000	130,000	0	215,000	215,000	230,000	230,000
Regional total	190,000	190,000	0	285,000	285,000	300,000	300,000
Africa:							
Botswana	2,000	2,000	0	4,000	4,000	4,000	4,000
Chad	2,000	2,000	0	5,000	5,000	6,000	6,000
Djibouti	2,000	2,000	0	2,500	2,500	2,500	2,500
Equatorial Guinea	0	0	0	0	0	1,000	1,000
Guinea	1,500	1,500	0	3,000	3,000	5,000	5,000
Kenya	12,000	12,000	0	20,000	20,000	25,000	25,000
Liberia	12,000	12,000	0	12,000	12,000	13,000	13,000
Madagascar	0	0	0	2,050	2,050	3,000	3,000

Malawi	0	0	0	1,000	1,000	2,000	2,000
Mozambique	0	0	0	1,000	1,000	3,000	3,000
Niger	2,000	2,000	0	5,000	5,000	5,000	5,000
Senegal	2,000	2,000	0	3,000	3,000	4,000	4,000
Somalia	32,000	32,000	0	33,000	33,000	40,000	40,000
Sudan	45,000	45,000	0	45,000	45,000	58,500	58,500
Zaire	7,000	7,000	0	7,000	7,000	10,400	10,400
Civic action	0	0	0	5,000	5,000	7,000	7,000
Regional total	119,500	119,500	0	148,550	148,550	189,400	189,400
American Republics:							
Belize	500	500	0	500	500	1,000	1,000
Bolivia	0	0	0	3,000	3,000	6,000	6,000
Costa Rica	9,000	9,000	0	9,000	9,000	2,500	2,500
Dominican Republic	3,150	3,150	0	5,000	5,000	6,000	6,000
Eastern Caribbean[1]	7,000	7,000	0	5,000	5,000	10,000	10,000
El Salvador	176,750	176,750	0	111,750	111,750	131,000	131,000
Haiti	300	300	0	0	0	500	500
Honduras	76,500	76,500	0	61,300	61,300	87,000	87,000
Jamaica	4,000	4,000	0	5,000	5,000	8,000	8,000
Panama	8,000	8,000	0	10,000	10,000	14,400	14,400
Peru	0	0	0	0	0	18,350	18,350
Regional-Military Training Center [RMTC][2]	18,500	([2])	18,500	20,000	[2]38,500	0	0
Regional total	303,700	285,200	18,500	230,550	249,050	284,750	284,750
Total country programs	670,200	651,700	18,500	754,400	772,900	897,450	897,450
General costs	41,550	46,778	0	50,700	56,670	51,900	53,600
Total budget authority/obligations	711,750	698,478	18,500	805,100	829,570	949,350	951,050

[1] Includes Anguilla, Antigua, Barbados, British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts, St. Lucia, and St. Vincent.

[2] As of the submissin of the CPD, the $18,500,000 in fiscal year 1984 supplemental MAP for the RMTC had not yet been apportioned. A decision on apportionment will be made before March 31, 1985, when authorization for obligation of the funds will expire.

The administration proposes that the program detailed above be funded in the following manner:

MILITARY ASSISTANCE PROGRAM

	Actual fiscal year 1984	Estimated fiscal year 1985	Proposed fiscal year 1986
Country programs	$651,700,000	$772,900,000	$897,450,000
General costs	46,778,000	56,670,000	53,600,000
Total obligations	698,478,000	829,570,000	951,050,000
Reimbursements from FMS Trust Fund	-4,043,000	-4,270,000	
Other reimbursements	-1,975,000	-1,700,000	-1,700,000
Recovery of prior year obligations	-8,000		
Unobligated balance, start of year	-1,059,000	-18,500,000	
Unobligated balance, end of year	18,500,000		
Unobligated balance lapsing	1,857,000		
Budget authority (appropriation)	711,750,000	805,100,000	949,350,000
Outlays	684,778,000	848,018,000	979,667,000

Below is a list of the names and assignments of those flag and general officers currently assigned to the Military Assistance Program:

Flag and general officers

Officer and country	*Assignment*
Lt. Gen. Philip C. Gast (USAF) United States	Director, DSAA.
Maj. Gen. E.C. O'Connor (USA) United States	Commander, USA Security Assistance Center.
Rear Adm. T.A. Almstedt, Jr. (USN) United States	Director, Security Assistance Division, DCNO (Plans, Policy, and Operations).
Brig. Gen. R.S. Delligatti (USAF) United States	Director, International Programs, DCS, Programs and Resources.
Maj. Gen. C.W. Brown (USA) United States	Assistant Deputy Chief of Staff for Logistics, Security Assistance.
Maj. Gen. J.C. Lutz (USA) Greece	Chief, JUSMAG.
Maj. Gen. J.P. Franklin (USA) Spain	Chief, JUSMAAG.
Maj. Gen. E.D. Pendleton (USA) Turkey	Chief, JUSMMAT.
Maj. Gen. S.M. Armstrong (USAF) Saudi Arabia	Chief, USMTM.
Maj. Gen. H.J. Quinn (USA) Korea	Chief, JUSMAG.
Brig. Gen. S.R. Musser (USAF) Egypt	Chief, OMC.
Brig. Gen. W.R. Schwartz (USA) Saudia Arabia	USA Project Manager, SANG Modernization Program.
Brig. Gen. J.W. Ray (USA) Saudi Arabia	Division Engineer, USA Engineer Division, Middle East.
Brig. Gen. T.G. Allen (USA) Philippines	Chief, JUSMAG.
Brig. Gen. C.T. Ivey (USA) Pakistan	Chief, ODRP.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Appropriation, 1985	$56,221,000
Budget request, 1986	65,650,000
House allowance	54,489,500
Committee recommendation	56,221,000

The International Military Education and Training Program [IMET] request for fiscal year 1986 totals $65,650,000. The program would be funded in the following manner:

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM

	Actual fiscal year 1984	Estimated fiscal year 1985	Proposed fiscal year 1986
International Military Education and Training Program	$51,532,000	$56,221,000	$65,650,000
Unobligated programs	-367,000		
Total obligations	51,165,000	56,221,000	65,650,000
Unobligated balance lapsing	367,000		
Budget authority (appropriation)	51,532,000	56,221,000	65,650,000
Outlays	43,870,000	55,750,000	61,620,000

The administration's proposal would provide instruction and training in military skills and U.S. military doctrine to the armed forces and military civilian personnel of friendly countries as shown in the following table:

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM

BUDGET AUTHORITY/OBLIGATIONS

Country	Actual fiscal year 1984	Estimated fiscal year 1985	Proposed fiscal year 1986
East Asia and Pacific:			
Burma	$116,000	$275,000	$300,000
Fiji	84,000	100,000	100,000
Indonesia	2,379,000	2,300,000	2,800,000
Korea	1,786,000	1,900,000	2,200,000
Malaysia	881,000	950,000	1,150,000
Papua-New Guinea	41,000	50,000	75,000
Philippines	1,488,000	1,900,000	2,250,000
Singapore	56,000	50,000	75,000
Solomon Islands	27,000	30,000	50,000
Thailand	2,229,000	2,300,000	2,500,000
Tonga	30,000	50,000	50,000
Regional total	9,117,000	9,905,000	11,550,000

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM—Continued

BUDGET AUTHORITY/OBLIGATIONS—Continued

Country	Actual fiscal year 1984	Estimated fiscal year 1985	Proposed fiscal year 1986
Near East and South Asia:			
Algeria	0	$50,000	$100,000
Bangladesh	$269,000	275,000	300,000
Egypt	1,657,000	2,000,000	2,000,000
India	126,000	300,000	350,000
Jordan	1,729,000	1,750,000	2,000,000
Lebanon	633,000	800,000	800,000
Maldives	23,000	25,000	50,000
Morocco	1,620,000	1,550,000	1,850,000
Nepal	112,000	100,000	110,000
Oman	127,000	150,000	150,000
Pakistan	783,000	900,000	1,200,000
Sri Lanka	143,000	150,000	160,000
Tunisia	1,621,000	1,550,000	1,700,000
Yemen	1,063,000	1,200,000	1,550,000
Regional total	9,906,000	10,800,000	12,320,000
Europe:			
Austria	58,000	60,000	75,000
Finland	36,000	50,000	75,000
Greece	1,406,000	1,400,000	1,750,000
Iceland	22,000	25,000	50,000
Luxembourg	0	0	30,000
Portugal	2,888,000	2,500,000	3,000,000
Spain	2,988,000	2,500,000	3,000,000
Turkey	3,277,000	3,100,000	4,000,000
Yugoslavia	69,000	130,000	160,000
Regional total	10,744,000	9,765,000	12,140,000
Africa:			
Benin	0	50,000	60,000
Botswana	232,000	300,000	400,000
Burkina Faso (Upper Volta)	39,000	50,000	150,000
Burundi	135,000	150,000	100,000
Cameroon	109,000	150,000	225,000
Cape Verde	47,000	60,000	75,000
Central African Republic	99,000	100,000	150,000
Chad	169,000	200,000	150,000
Comoros	0	0	50,000
Congo	6,000	50,000	60,000
Djibouti	140,000	100,000	125,000
Equatorial Guinea	54,000	60,000	100,000
Gabon	111,000	130,000	150,000
Gambia	0	60,000	75,000
Ghana	242,000	300,000	325,000
Guinea	100,000	100,000	150,000
Guinea-Bissau	13,000	50,000	75,000
Ivory Coast	181,000	110,000	125,000
Kenya	1,621,000	1,700,000	1,800,000
Liberia	764,000	1,100,000	1,300,000
Madagascar	50,000	50,000	75,000
Malawi	185,000	200,000	200,000
Mali	148,000	150,000	150,000
Mauritania	79,000	50,000	60,000
Mozambique	0	150,000	150,000

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM—Continued

BUDGET AUTHORITY/OBLIGATIONS—Continued

Country	Actual fiscal year 1984	Estimated fiscal year 1985	Proposed fiscal year 1986
Africa			
Niger	$228,000	$200,000	$275,000
Nigeria	0	50,000	100,000
Rwanda	3,000	60,000	75,000
Sao Tome	0	0	50,000
Senegal	477,000	511,000	500,000
Seychelles	0	50,000	50,000
Sierra Leone	40,000	60,000	85,000
Somalia	993,000	1,150,000	1,500,000
Sudan	1,459,000	1,550,000	1,750,000
Swaziland	50,000	50,000	60,000
Tanzania	0	0	75,000
Togo	35,000	75,000	75,000
Uganda	61,000	200,000	200,000
Zaire	767,000	1,400,000	1,400,000
Zimbabwe	150,000	225,000	150,000
Regional total	8,787,000	11,001,000	12,625,000
American Republics			
Argentina	0	0	100,000
Bahamas	0	50,000	50,000
Belize	49,000	75,000	100,000
Bolivia	122,000	300,000	300,000
Brazil	0	0	100,000
Chile	0	0	[1] 100,000
Columbia	766,000	875,000	950,000
Costa Rica	133,000	200,000	225,000
Dominican Republic	685,000	725,000	800,000
Eastern Caribbean [2]	322,000	370,000	400,000
Ecuador	699,000	700,000	800,000
El Salvador	1,300,000	1,500,000	1,600,000
Guatemala	0	300,000	300,000
Guyana	0	0	50,000
Haiti	727,000	450,000	475,000
Honduras	940,000	1,100,000	1,250,000
Jamaica	200,000	250,000	275,000
Mexico	174,000	200,000	250,000
Panama	500,000	600,000	650,000
Paraguay	75,000	50,000	125,000
Peru	700,000	800,000	850,000
Suriname	0	[1] 50,000	50,000
Trinidad-Tobago	0	50,000	50,000
Uruguay	98,000	60,000	125,000

See footnotes at end of table

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM—Continued

BUDGET AUTHORITY/OBLIGATIONS—Continued

Country	Actual fiscal year 1984	Estimated fiscal year 1985	Proposed fiscal year 1986
American Republics—Continued			
Venezuela	$48,000	$50,000	$100,000
Panama Canal area military schools [PACAMS]	5,294,000	2,000,000	2,500,000
U.S. Army School of the Americas [USARSA]	0	3,500,000	4,000,000
Regional total	12,832,000	14,255,000	16,575,000
Total country programs	51,386,000	55,726,000	65,210,000
General costs	146,000	495,000	440,000
Total budget authority	51,532,000	56,221,000	65,650,000
Unobligated balance lapsing	- 367,000	0	0
Total obligations	51,165,000	56,221,000	65,650,000

[1] Pending program approval.
[2] Includes Anguilla, Antigua, Barbados, British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts, St. Lucia, and St. Vincent.

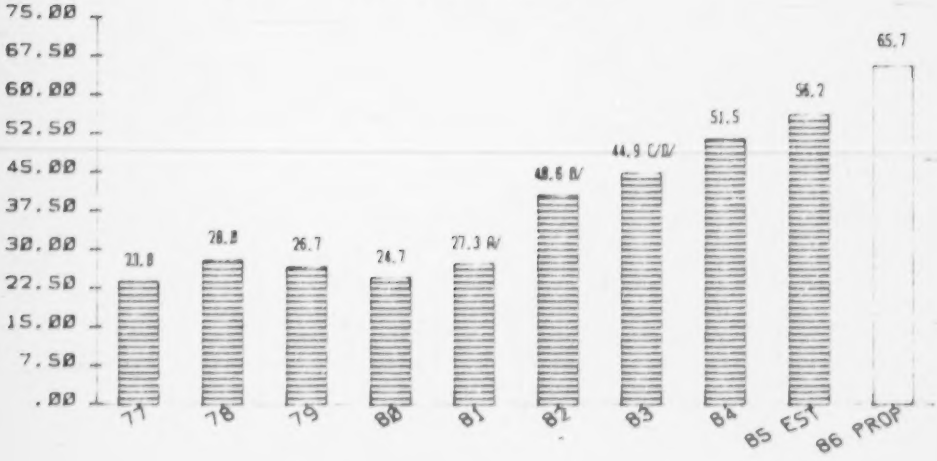
Professional Military Education Program.—The Committee has noted with interest the emphasis placed by the administration on the Professional Military Education Program, which is funded under IMET. The PME provides orientation to foreign military officers who come to the United States and provides exposure to U.S. institutions. The Committee would be interested in having the opportunity to meet with a number of these military officers from foreign countries.

Mobile training teams.—The Committee believes that the use of mobile training teams [MTT's] to provide in-country training under the IMET Program is both appropriate and desirable. Training provided to foreign countries by MTT's working in the context within which trainees must themselves operate, is more likely to be responsive and suited to local conditions. It is, moreover, likely to be more cost effective on a cost per trainee basis than similar training provided in the United States. Consequently, without setting any specific minimal figure, the Committee wishes to encourage the greater use of MTT's in the IMET Program.

The Committee recommends the appropriation of $56,221,000, the same as last year's level and the authorization level.

The following graphs detail the amount provided for this program in both current and constant dollars since fiscal year 1977:

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM
FY 1977-1986
CURRENT DOLLARS IN MILLIONS



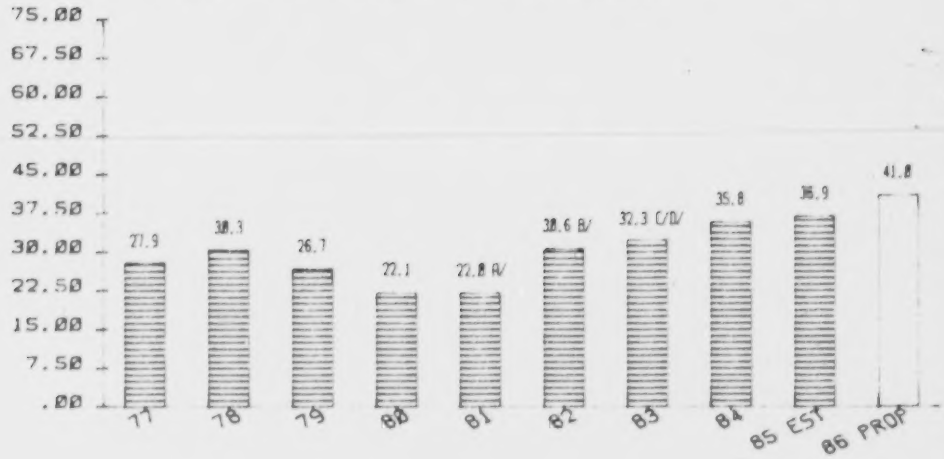
A/ $.8 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY INCLUDED IN MAP TOTALS.

B/ $3.2 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY INCLUDED IN MAP TOTALS.

C/ INCLUDES SUPPLEMENTAL OF $1.0 MILLION.

D/ $3.0 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY INCLUDED IN MAP TOTALS.

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM
FY 1977-1986
MILLIONS OF CONSTANT FY 1979 DOLLARS



A/ $.6 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY INCLUDED IN MAP TOTALS.

B/ $2.4 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY INCLUDED IN MAP TOTALS.

C/ INCLUDES SUPPLEMENTAL OF $.7 MILLION.

D/ $2.7 MIL OF SECTION 506(A) DRAWDOWN AUTHORITY INCLUDED IN MAP TOTALS.

FOREIGN MILITARY CREDIT SALES

Appropriation, 1985	$4,939,500,000
Budget request, 1986	5,655,000,000
House allowance	5,071,983,333
Committee recommendation	5,371,000,000

The Foreign Military Credit Sales [FMS] Financing Program is utilized by friends and allies of the United States to purchase U.S. military equipment, spare parts, and training. This program has been a mainstay of U.S. security assistance since shortly after the Korean War, having originated in the Mutual Security Act of 1954. From that time, the program has accelerated, while the Military Assistance Program became less important due to the improved economic capabilities of the countries which receive this type of assistance. However, the world economic situation in the late 1970's and now in the 1980's has again required more concessional and grant terms, and the FMS Program is now largely forgiven or concessional in nature. The FMS debt of countries which have received assistance under this program has become a burden to many of the countries on which we depend for mutual security, and leads the Committee to recommend in this legislation, the option of providing the entire program on a concessional basis, rather than further loading down friends and allies with high interest rate loans. Indeed, the so-called Carlucci Commission expressed the same concern by expressly stating that it believes that FMS financing extended at nonconcessional rates was itself contributing to development countries' debt problems, and, therefore, undermined our efforts through other programs to alleviate debt problems.

The Committee recommends approval of $5,371,000,000 for the FMS Program, the authorization level.

Greece/Turkey.—As previously stated in the discussion under the Military Assistance Program, the Committee is recommending earmarkings for Greece and Turkey based on the agreement as contained in the authorization act. The authorization legislation contains funding recommendations based on the historic 7-to-10 ratio which Congress has consistently supported.

Guatemala.—The Committee has noted the conditions on assistance to Guatemala contained in section 703 of the International Security and Development Cooperation Act of 1985 (Public Law 99–83). The Committee directs the Department of State to provide copies of any certifications made by the President under section 703 directly to the Committee.

Israel/Egypt.—The Committee is again recommending earmarks totaling $1,800,000,000 for Israel, and $1,300,000,000 for Egypt under the

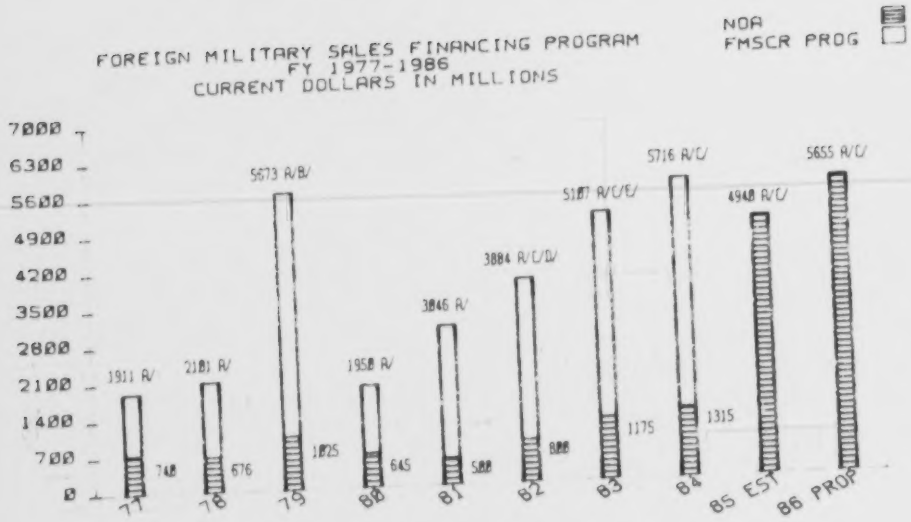
FMS Program, as well as language which continues support for the Lavi Program in Israel.

Jordan.—Language is included in the bill which limits funding under this account to $95,000,000 for programs in Jordan. The Committee has included this language so that any possible additional requirements based on new arms sales will have to be funded through supplemental appropriations only. This will give the Committee an opportunity to thoroughly examine any such additional program for Jordan.

Philippines.—The Committee has earmarked $20,000,000 for the Philippines which, together with the earmarks under the Economic Support Fund and the Military Assistance Program for that country, reflects the agreement reached in the authorization legislation for military and economic assistance to that country. The Committee has earmarked assistance under this account for the Philippines to demonstrate our commitment to supporting the process of reform currently underway in that country. The Committee believes that U.S. assistance can contribute to and be supportive of the revitalization of democracy in the Philippines. It is our intention to support the courageous men and women who are working from within the government and the military of the Philippines to preserve the integrity of their institutions.

Tunisia.—As noted under the military assistance account, the Committee believes Tunisia is in need of assistance to enable it to provide for its own defense. Tunisia faces a threat not only from its neighbor, Libya, but also carries a very large debt burden. To assist Tunisia in meeting both of these destabilizing influences, the Committee recommends bill language to provide $53,000,000 in concessional credits to this longstanding and reliable friend in its time of need.

FOREIGN MILITARY SALES FINANCING PROGRAM
FY 1977-1986
CURRENT DOLLARS IN MILLIONS



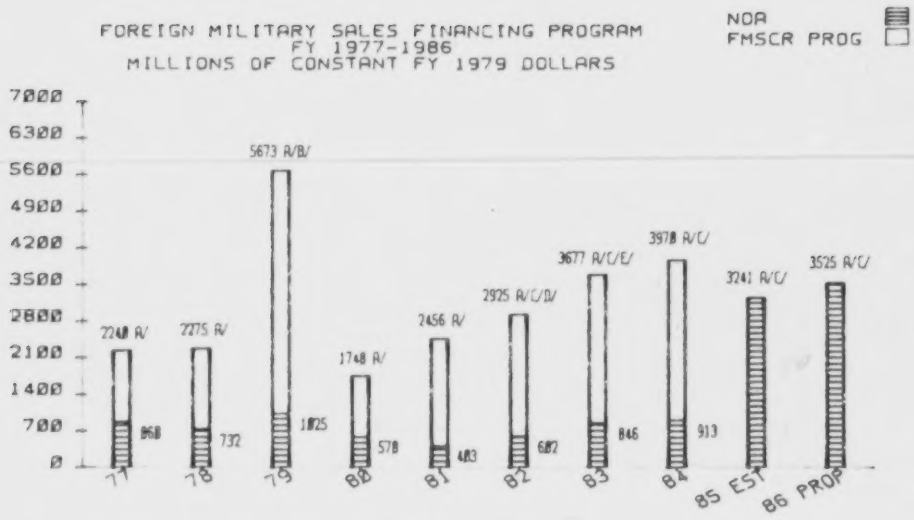
A/ INCLUDES NON-REIMBURSABLE FINANCING FOR ISRAEL AS FOLLOWS: FY 77 TO FY 81-$500 MIL. ANNUALLY, FY 82-$550 MIL, FY 83-$750 MIL, FY 84-$850 MIL, FY 85-$1,400 MIL, FY 86-$1,800 MIL.

B/ INCLUDES SUPPLEMENTAL AUTHORIZATION OF $1.5 BILLION FOR EGYPT AND $2.2 BILLION FOR ISRAEL.

C/ INCLUDES NON-REIMBURSABLE FINANCING FOR EGYPT AS FOLLOWS: FY 82-$200 MIL, FY 83-$425 MIL, FY 84-$465 MIL, FY 85-$1,175 MIL, FY 86-$1,300 MIL.

D/ INCLUDES $50 MILLION NON-REIMBURSABLE FINANCING FOR SUDAN.

E/ INCLUDES A SUPPLEMENTAL OF $293.5 MILLION.



A/ INCLUDES NON-REIMBURSABLE FINANCING FOR ISRAEL AS FOLLOWS: FY 77-$586 MIL, FY 78-$541 MIL, FY 79-$500 MIL, FY 80-$448 MIL, FY 81-$483 MIL, FY 82-$414 MIL, FY 83-$548 MIL, FY 84-$598 MIL, FY 85-$918 MIL, FY 86-$1,122 MIL.

B/ INCLUDES SUPPLEMENTAL AUTHORIZATION OF $1.5 BILLION FOR EGYPT AND $2.2 BILLION FOR ISRAEL.

C/ INCLUDES NON-REIMBURSABLE FINANCING FOR EGYPT AS FOLLOWS: FY 82-$151 MIL, FY83-$306 MIL, FY 84-$323 MIL, FY 85-$771 MIL, FY 86-$810 MIL.

D/ INCLUDES $38 MILLION NON-REIMBURSABLE FINANCING FOR SUDAN.

E/ INCLUDES A SUPPLEMENTAL OF $211.3 MILLION.

The proposed FMS Program is detailed in the following chart by region and country:

FOREIGN MILITARY SALES FINANCING PROGRAM—BUDGET AUTHORITY/OBLIGATIONS

[In thousands of dollars]

	Actual fiscal year 1984			Estimated fiscal year 1985 direct			Proposed fiscal year 1986 direct		
	Guaranty	Direct	Total	Treasury rate	Concessional rate	Total	Treasury rate	Concessional rate	Total
East Asia and Pacific:									
Indonesia	45,000	0	45,000	0	32,500	32,500	0	34,700	34,700
Korea	230,000	0	230,000	220,000	0	220,000	228,000	0	228,000
Malaysia	10,000	0	10,000	4,000	0	4,000	5,000	0	5,000
Philippines	50,000	0	50,000	0	15,000	15,000	0	50,000	50,000
Thailand	94,000	0	94,000	75,000	20,000	95,000	57,500	40,000	97,500
Regional total	429,000	0	429,000	299,000	67,500	366,500	290,500	124,700	415,200
Near East and South Asia:									
Egypt	900,000	[1]465,000	1,365,000	0	[1]1,175,000	[1]1,175,000	0	[1]1,300,000	[1]1,300,000
Israel	850,000	[1]850,000	1,700,000	0	[1]1,400,000	[1]1,400,000	0	[1]1,800,000	[1]1,800,000
Jordan	115,000	0	115,000	35,000	55,000	90,000	30,000	65,000	95,000
Lebanon	15,000	0	15,000	5,000	0	5,000	10,000	0	10,000
Morocco	38,750	0	38,750	0	3,000	3,000	0	5,000	5,000
Oman	40,000	0	40,000	40,000	0	40,000	58,300	0	58,300
Pakistan	300,000	0	300,000	325,000	0	325,000	325,000	0	325,000
Tunisia	92,000	0	92,000	25,000	25,000	50,000	26,000	27,000	53,000
Regional total	2,350,750	1,315,000	3,665,750	430,000	2,658,000	3,088,000	449,300	3,197,000	3,646,300
Europe:									
Greece	500,000	0	500,000	242,000	258,000	500,000	500,000	0	500,000
Portugal	45,000	0	45,000	55,000	0	55,000	30,000	35,000	65,000
Spain	400,000	0	400,000	400,000	0	400,000	400,000	0	400,000
Turkey	585,000	0	585,000	235,000	250,000	485,000	210,000	345,000	555,000
Regional total	1,530,000	0	1,530,000	932,000	508,000	1,440,000	1,140,000	380,000	1,520,000

FOREIGN MILITARY SALES FINANCING PROGRAM—BUDGET AUTHORITY/OBLIGATIONS—Continued

[in thousands of dollars]

	Actual fiscal year 1984			Estimated fiscal year 1985 direct			Proposed fiscal year 1986 direct		
	Guaranty	Direct	Total	Treasury rate	Concessional rate	Total	Treasury rate	Concessional rate	Total
Africa:									
Botswana	7,000	0	7,000	0	5,000	5,000	0	6,000	6,000
Cameroon	5,000	0	5,000	0	5,000	5,000	7,000	0	7,000
Gabon	3,000	0	3,000	0	0	0	5,000	0	5,000
Kenya	10,000	0	10,000	0	0	0	0	0	0
Regional total	25,000	0	25,000	0	10,000	10,000	12,000	6,000	18,000
American Republics:									
Colombia	24,500	0	24,500	4,000	4,000	8,000	10,000	10,000	20,000
Dominican Republic	2,500	0	2,500	0	0	0	0	4,000	4,000
Ecuador	6,000	0	6,000	2,000	2,000	4,000	0	5,000	5,000
El Salvador	18,500	0	18,500	0	15,000	15,000	0	0	0
Guatemala	0	0	0	0	0	0	0	10,000	10,000
Panama	5,000	0	5,000	0	0	0	0	4,000	4,000
Peru	10,000	0	10,000	0	8,000	8,000	0	10,000	10,000
Uruguay	0	0	0	0	0	0	2,500	0	2,500
Regional total	66,500	0	66,500	6,000	29,000	35,000	12,500	43,000	55,500
Total country programs	4,401,250	1,315,000	5,716,250	1,667,000	3,272,500	4,939,500	1,904,300	3,750,700	5,655,000
Total budget authority/obligations	0	1,315,000	1,315,000	1,667,000	3,272,500	4,939,500	1,904,300	3,750,700	5,655,000

[1] Repayment forgiven.

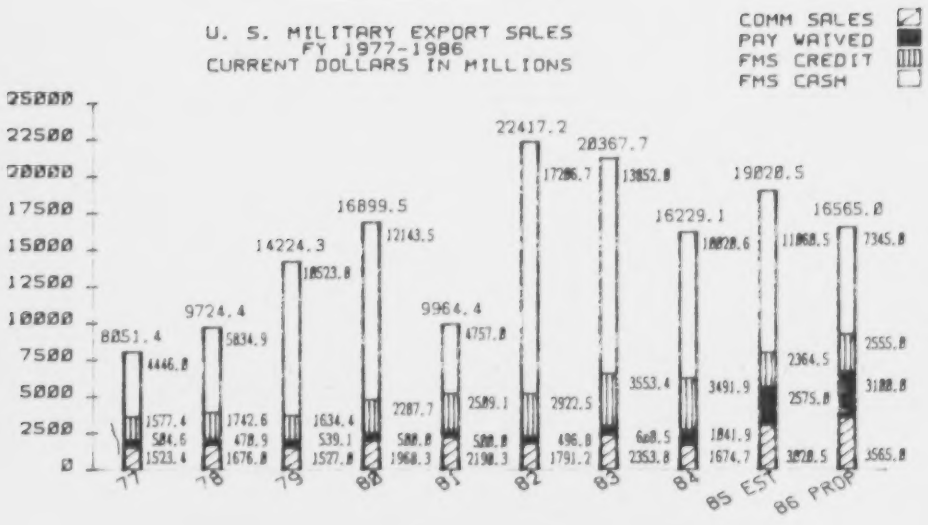
The administration proposed to finance the fiscal year 1984 Foreign Military Sales Credit Program in the following manner:

FOREIGN MILITARY SALES FINANCING PROGRAM

[In thousands of dollars]

	Actual fiscal year 1984	Estimated fiscal year 1985	Proposed fiscal year 1986
Foreign Military Sales Financing Program	5,716,250	4,939,500	5,655,000
Less: Federal Financing Bank [FFB] guaranteed loans	(4,401,250)		
Total obligations (direct loans)	1,315,000	4,939,500	5,655,000
Repayment forgiven for Israel	(850,000)	(1,400,000)	(1,800,000)
Repayment forgiven for Egypt	(465,000)	(1,175,000)	(1,300,000)
Other concessional rate loans		(697,500)	(650,700)
Treasury rate loans		(1,667,00)	(1,904,300)
Budget authority (appropriation)	1,315,000	4,939,500	5,655,000
Outlays	1,059,983	2,802,169	4,862,852

Following is a graph showing the relationship between Foreign Military Sales Credits to total U.S. military export sales in current and constant (1979) dollars:

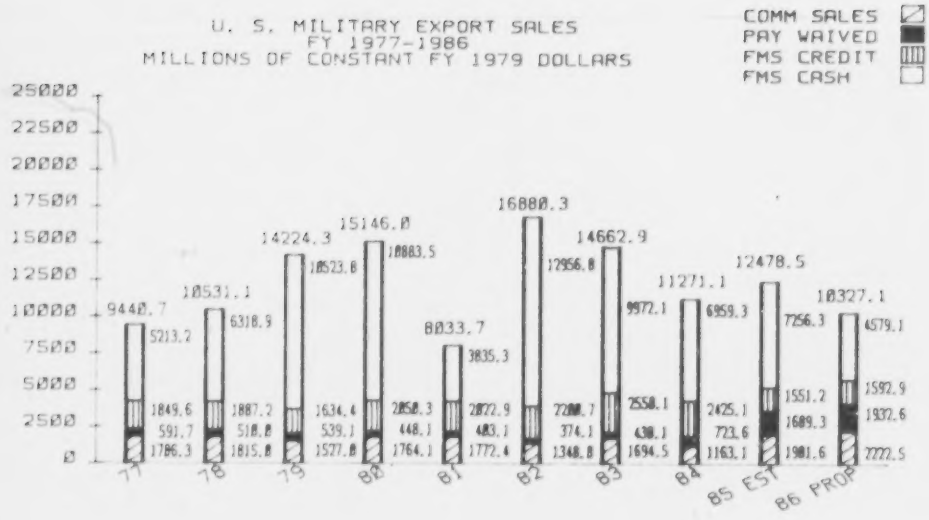


COMMERCIAL SALES - DELIVERIES (AS DISTINGUISHED FROM SALES ORDERS) BY U.S. INDUSTRIES TO FOREIGN PURCHASERS WHICH ARE NOT ADMINISTERED BY THE DEPARTMENT OF DEFENSE. DATA FOR FY 1976 THROUGH FY 1984 ARE BASED ON VALUE OF EXPORTS TO FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS WHICH LICENSES WERE ISSUED BY THE OFFICE OF MUNITIONS CONTROL, DEPARTMENT OF STATE.

FMS SALES PAYMENT WAIVED - REPRESENTS AMOUNTS DISBURSED FROM DIRECT LOANS FOR WHICH REPAYMENT HAS BEEN WAIVED, EXTENDED PURSUANT TO THE PROVISIONS OF THE ARMS EXPORT CONTROL ACT, IN THE CURRENT AND/OR PRIOR YEARS.

FMS CREDIT SALES - REPRESENTS AMOUNTS DISBURSED FROM LOANS (DIRECT AND GUARANTEED) EXTENDED PURSUANT TO THE PROVISIONS OF THE ARMS EXPORT CONTROL ACT, IN THE CURRENT AND/OR PRIOR YEARS.

FMS CASH SALES - SALES ORDERS (AS DISTINGUISHED FROM DELIVERIES) FOR WHICH PAYMENT IS MADE EITHER "CASH IN ADVANCE" OR, IF THE PRESIDENT SO DETERMINES, WITHIN A REASONABLE PERIOD OF TIME NOT TO EXCEED 120 DAYS AFTER DELIVERY OF THE ARTICLE(S) OR THE RENDERING OF SERVICE(S).



COMMERCIAL SALES - DELIVERIES (AS DISTINGUISHED FROM SALES ORDERS) BY U.S. INDUSTRIES TO FOREIGN PURCHASERS WHICH ARE NOT ADMINISTERED BY THE DEPARTMENT OF DEFENSE. DATA FOR FY 1976 THROUGH FY 1984 ARE BASED ON VALUE OF EXPORTS TO FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS WHICH LICENSES WERE ISSUED BY THE OFFICE OF MUNITIONS CONTROL, DEPARTMENT OF STATE.

FMS SALES PAYMENT WAIVED - REPRESENTS AMOUNTS DISBURSED FROM DIRECT LOANS FOR WHICH REPAYMENT HAS BEEN WAIVED, EXTENDED PURSUANT TO THE PROVISIONS OF THE ARMS EXPORT CONTROL ACT, IN THE CURRENT AND/OR PRIOR YEARS.

FMS CREDIT SALES - REPRESENTS AMOUNTS DISBURSED FROM LOANS (DIRECT AND GUARANTEED) EXTENDED PURSUANT TO THE PROVISIONS OF THE ARMS EXPORT CONTROL ACT, IN THE CURRENT AND/OR PRIOR YEARS.

FMS CASH SALES - SALES ORDERS (AS DISTINGUISHED FROM DELIVERIES) FOR WHICH PAYMENT IS MADE EITHER "CASH IN ADVANCE" OR, IF THE PRESIDENT SO DETERMINES, WITHIN A REASONABLE PERIOD OF TIME NOT TO EXCEED 120 DAYS AFTER DELIVERY OF THE ARTICLE(S) OR THE RENDERING OF SERVICE(S).

GUARANTEE RESERVE FUND

Appropriation, 1985	$109,000,000
Budget request, 1986	
House allowance	50,000,000
Committee recommendation	50,000,000

The Committee is recommending $50,000,000 which may be used for the purposes of the Guarantee Reserve Fund; a similar amount is recommended in the bill reported by the House Committee.

FOREIGN MILITARY CREDIT SALES DEBT REFORM

The Committee recommends bill language which would have the effect of reducing the rate of interest on outstanding loans for Foreign Military Sales to Israel from their current weighted average interest rate of 11.14 percent to the minimum rate for concessional FMS credits (5 percent) currently authorized by law. The appropriation of up to $531,710,682 is recommended to compensate the Federal Financing Bank for interest earnings which would be foregone under the proposal.

The primary objective of the proposed legislation is to reduce the onerous burden of FMS debt faced by an Israeli Government which has undertaken a serious commitment to economic reform. The Committee is impressed by the measures taken by the Government of Israel in recent months to reform government finance and expenditures. The government has taken stringent measures affecting employment, domestic subsidies, and military expenditures. A concerted effort is being made by all Israelis to regain control of their economic destiny.

This Committee believes it to be in the interest of the United States to help the people and government of the State of Israel to return to economic strength and prosperity. The major impediment to achieving that desired goal, however, lies beyond the control of the Government of Israel.

It is the overwhelming cost of servicing existing debt which hamstrings efforts to reform the economy. Debt service costs and the requirement that payments be maintained without interruption has robbed the new government of a breathing space in which to gather its strength and to fully implement required reforms. The Committee's proposal would reduce the debt service burden by reducing the amount of interest the United States charges on its outstanding FMS loans to Israel.

The Committee views this initiative as only a first step in overall FMS debt reform. Clearly, in addition to the problems faced by Israel, other vitally important countries are suffering from the same problem addressed by this initiative. Therefore, the Committee directs the administration to follow up on this initiative by providing the Committee with options which will address the larger FMS debt problem for other countries and for future years.

SPECIAL DEFENSE ACQUISITION FUND

Appropriation, 1985	($325,000,000)
Budget request, 1986	(345,000,000)
House allowance	(325,000,000)
Committee recommendation	(345,000,000)

The purpose of the Special Defense Acquisition Fund [SDAF] is to finance the acquisition of defense articles and defense services in anticipation of their transfer pursuant to the Arms Export Control Act, the Foreign Assistance Act of 1961, or as otherwise authorized by law to eligible foreign countries and international organizations. Having this fund enables the President to react to foreign policy requirements on an urgent basis; provides an effective means to assist in smoothing rates of production; and reduces procurement lead times for delivery of weapons systems to foreign governments.

The Committee notes that its support of this program is predicated on its use as originally presented to the Committee, and not as a mechanism for procurement of defense articles which are intended only for the U.S. services. This is a position which has been supported by the authorization committees when they rejected legislation which would have allowed this practice.

The Committee recommends $345,000,000, the budget request.

TITLE IV

EXPORT-IMPORT BANK

Fiscal year 1985:	
Limitation on direct loans	($3,865,000,000)
Limitation on guarantee commitments	(10,000,000,000)
Limitation on administrative expenses	(18,900,000)
Total	(13,883,900,000)
Fiscal year 1986 budget request:	
Limitation on direct loans	.....
Limitation on guarantee commitments	(12,000,000,000)
Limitation on administrative expenses	(18,357,000)
Total	(12,018,000,000)
Fiscal year 1986 House allowance:	
Limitation on direct loans	(783,879,167)
Limitation on guarantee commitments	(12,000,000,000)
Limitation on administrative expenses	(18,000,000)
Total	.....
Fiscal year 1986 committee recommendation:	
Limitation on direct loans	.....
Limitation on guarantee commitments	(12,000,000,000)
Limitation on administrative expenses	(18,000,000)
Total	(12,018,000,000)

The enormous and growing deficit in U.S. trade with the rest of the world continues to sap the strength of the U.S. economy and to delay full recovery of employment and growth. The continuing imbalance in U.S. trade has accelerated a decline in American manufacturing and has deprived American workers of their jobs. There is no question but that the unprecedented decline in the U.S. trade balance is related to an overvalued dollar and the failure of some sectors of U.S. industry to keep pace with technological and managerial advances. But that is not the whole story.

The United States has suffered the largest trade deficit in its history in large part because certain foreign governments are staunchly committed to maintaining and expanding an unfair competitive environment in which the United States, by attempting to provide leadership in free trade, has been a loser.

This situation has not been of our own making. The United States has attempted to negotiate the elimination, or at least the reduction, of predatory financing practices and the removal of nontariff barriers to trade. Others, however, have taken the U.S. willingness to negotiate for

granted and have pressed their advantage to the limit. Moreover, we have been negotiating from a position of weakness, not strength.

The leadership of the Export-Import Bank of the United States has not been sufficiently aggressive in countering unfair competitive practices from abroad. Rather than engage its resources effectively in the undeclared trade war with Europe and Japan, the Export-Import Bank has retreated. It has failed to use the full measure of the authorities provided to it by the Congress and has, instead, adopted a cautious, hunkered down approach to protect the meager profits it has made on minimal participation in U.S. export promotion efforts. Under its current leadership, the Export-Import Bank has made the quarterly profit statement, rather than the promotion of U.S. exports, the measure of success. Where other countries measure success by the increase in market share of their exporters, the principal financing facility for U.S. exports looks to the protection of its declining profits.

It need not be this way. The Export-Import Bank could have an important role to play in restoring the U.S. trade balance. It could serve as the principal weapon in equalizing competition between American exports and the exports of other countries which are financed with both hidden and open foreign government subsidies. That is the role that the Congress intends for the Export-Import Bank.

The Congress has repeatedly recognized that an adequate authorization of Eximbank's direct lending program is the most effective, most efficient, and least costly way for our Government to counter foreign government-sponsored competition. If the United States is to negotiate the end of foreign export subsidies, it must negotiate from a position of strength. If U.S. exports are to recover, they must receive financing at least equal to that of other countries. This Committee intends to provide adequate authorization of Eximbank's direct lending program.

Because of the severe restraints placed on programs under the jurisdiction of the Foreign Operations Subcommittee, however, the Committee is not recommending any new direct loan authority for the Export-Import Bank. Instead, it has included language in the accompanying bill to amend existing law and continue the availability of direct loan authority provided, but not used, in fiscal year 1985. That unused authority totals approximately $3,200,000,000. However, the Committee directs the Export-Import Bank to use only $1,800,000,000 in direct loan authority, the amount provided for in the budget resolution, in fiscal year 1986, with the remainder to continue available for use in fiscal year 1987. If it turns out that additional direct loan authority can be effectively used in fiscal year 1986, Eximbank must request specific legislative authority to exceed the $1,800,000,000 program limitation. The language recommended by the Committee is as follows:

> The phrase immediately preceding the proviso in the paragraph entitled "Limitation of Program Activity" under the heading "TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES" of the Foreign Assistance and Related Programs Appropriations Act, 1985 (as contained in Public Law 98–473) is amended to read:

> During the fiscal years 1985, 1986, and 1987 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed an aggregate of $3,865,000,000.

Budget implications.—The Committee has also included language which specifies that budget authority associated with this provision must continue to be scored in the fiscal year in which it was originally provided. That provision reads as follows:

> *Provided*, That obligations of such funds shall be considered as new budget authority for the purpose of any Act or Resolution only in the fiscal year in which such funds were initially made available, notwithstanding any provision of law.

The Committee is recommending this language to remove all doubt about the manner in which Export-Import Bank budget authority is to be scored by both the Office of Management and Budget [OMB] and the Congressional Budget Office [CBO]. Confusion and doubt about the appropriate manner in which to score Eximbank budget authority has arisen because of the inconsistent and quixotic treatment of Eximbank budget authority in the past.

It will be recalled that, for a number of years in the late 1970's, Eximbank funding was regarded as being off-budget. Because its role as the U.S. export financing facility is unique and its operations are self-sustaining, many argue that Eximbank should still be an off-budget item.

Subsequent to the passage of the Budget Act, early efforts to achieve a rigid definition of budget authority, in the sense of how it was to be scored, failed as the Congress attempted to determine how to treat limitations on program spending. These differ quite markedly from appropriations which result on a drawing of funds from the U.S. Treasury. As scorekeeping practices evolved, however, limitations on program activity, such as those in this bill for Eximbank programs, came to be treated as appropriations, even though no funds were actually drawn from the Treasury.

This matter was further complicated by questions regarding which Senate committee would be charged with budget authority and outlays resulting from Eximbank's activities. For a time, budget authority was charged to the Appropriations Committee with outlay charged to the Banking Committee. At present, it has been agreed that the Appropriations Committee will be charged with both budget authority and outlays.

The matter of jurisdiction having been settled, questions continued on the matter of how to score budget authority in relation to a program limitation. Initially, budget authority was determined through a complicated series of computations which reflected a stream of Eximbank accounting. First the loan authorization levels were calculated. These were then modified by a series of additions and subtractions resulting from loan activity: interest charges were added, repayments of principal were

subtracted, interest income was subtracted, prior fiscal year cancellations were subtracted, redemption of debt was added. The net result of all of these calculations was said to be the budget authority to be charged to the Committee.

The effort to simplify this calculation led to the adoption of a scorekeeping convention which would score program limitations as budget authority on a 1-to-1 basis. Unfortunately, this had unintended and harmful effects on the ability of the Congress to provide reasonable and proper amounts of funding for economic and security assistance programs. Because budget authority ceilings established in the congressional budget process incorporated program limitations as budget authority, the Congress found it necessary to forego funding of other desirable programs. Because we were charged with budget authority in full for program limitations which were not fully utilized, we were unable to provide funding for other needed activities.

The present situation is a case in point. In fiscal year 1985, the Congress established a limitation on Eximbank activity of $3,865,000,000. The Appropriations Committee was charged with the creation of $3,865,000,000 in new budget authority. At the close of fiscal year 1985, however, Eximbank had used only $672,000,000 of this authority. In other words, to provide sufficient authority for an aggressive Eximbank, the Congress had held funding for other programs to a minimum only to find later that this Eximbank authority was not used.

Clearly, the Congress needs to reconsider the manner in which program limitations are scored. Perhaps, the Congress should also reconsider the matter of whether the Export-Import Bank ought to be returned to its off-budget status. In the interim, while these measures are being addressed, this Committee proposes to act to redress the imbalance in the budget authority scorekeeping process. The language in the bill does not seek to reopen the larger issues regarding the scoring of Eximbank direct lending programs; it does, however, ensure that the Committee is able to make effective use of the budget authority for which it has been charged. The Committee action would redress the imbalance in the scorekeeping process by allowing the unused budget authority created in fiscal year 1985, which has already been scored against the Committee, to be used over the 3-year period, fiscal year 1985–87. The Committee is confident that the Senate will recognize the fundamental reasonableness of this approach and adopt the language proposed by the Committee.

GENERAL PROVISIONS

Section 509.—The Committee has added language requested by the administration which restricts representation and entertainment allowances under the Trade and Development Program.

Section 510.—The Committee, while retaining the prohibition in section 510 against the use of foreign assistance funds to finance the export of nuclear equipment, fuel or technology, would allow the use of such funds to provide assistance for the training of foreign nationals in skills related to the construction, operation, and maintenance of nuclear powerplants required for the safe operation of such plants and also for the construction of infrastructure facilities, which are required for all powerplants and are not specifically nuclear in nature. These include transmission lines, transportation and communications, and sanitation facilities. The Committee is making this recommendation in direct response to efforts which are ongoing by a U.S.-led consortium which is seeking to assist Egypt in the construction of a nuclear powerplant. The United States first indicated willingness to assist in such construction in 1974. The Committee believes that it would best serve the interests of U.S. nonproliferation policies if a U.S.-led consortium provided such a plant, rather than from another source with less interest in nonproliferation objectives.

Section 512.—The Committee has included a provision, as it has for many years, prohibiting any direct assistance to certain countries. The Committee received a request for the administration to delete Laos from this prohibition because of actual progress made in Laos' cooperation on the POW/MIA issue. This request was supported by the National League of Families of American Prisoners and Missing in Southeast Asia. The Committee has complied with this request.

Section 513.—The Committee recommends bill language which would terminate assistance provided directly to any country whose duly elected head of government is overthrown by a military coup or decree.

Sections 519 and 520.—The Committee has amended these two sections which have been carried in the legislation in the past so as to include the U.S. Governor as well as the U.S. representative to the multilateral development banks as officials which must have access to any materials developed by these institutions.

Section 523.—The Committee has added a new provision which limits funding provided in this legislation only in accordance with the provisions of this act.

Section 538.—The Committee is recommending language which places a floor of $2,500,000 on assistance which is to be provided to

anti-Communist insurgents in Cambodia, and, consistent with the authorizing legislation, a ceiling of $5,000,000.

Section 541.—The Committee has included a new section in the form of a sense of the Congress resolution relating to arms sales to Jordan.

Section 542.—The Committee recommends the inclusion of a new section 542, which reenforces the intent of Congress that appropriated funds made available to the Agency for International Development may not be disbursed to a private voluntary organization which receives and administers public funds through grant or contract and thereafter denies or withholds, after timely request, access as appropriate and necessary for the full exercise of the audit responsibilities of the Agency for International Development.

Section 543.—The Committee includes bill language withholding $10,000,000 in military assistance and financing for El Salvador until the President reports that investigations are concluded and all legal avenues have been completed to bring to trial and a verdict has been obtained in the January 1981 murders of Michael Hammer, Mark Pearlman, and Jose Rodolfo Viera.

Compliance With Rule XXVI, Paragraph 12

Rule XXVI, paragraph 12 states:

> Whenever a committee reports a bill or joint resolution repealing or amending any statute or part thereof it shall make a report thereon and shall include in such report or in an accompanying document (to be prepared by the staff of such committee) (a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee. This paragraph shall not apply to any such report in which it is stated that, in the opinion of the Committee it is necessary to dispense with the requirements of this subsection to expedite the business of the Senate.

The Committee recommends a provision which amends title IV of the Foreign Assistance and Related Programs Appropriations Act, 1985 (as contained in Public Law 98–473) as follows:

LIMITATION OF PROGRAM ACTIVITY

> During the fiscal [year] *years* 1985, *1986 and 1987* and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed an aggregate of $3,865,000,000 * * *.

Compliance With Paragraph 7, Rule XVI, Standing Rules of the U.S. Senate

Rule XVI, Paragraph 7 requires that every report on a general appropriation bill filed by the Committee must identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

This report accompanies a bill which has its origin in the Senate, and, therefore, the Committee does not believe that rule XVI, paragraph 7 applies in this case. However, if it did, three items lack authorization altogether. Those items are as follows: African Development Fund, International Finance Corporation, and the Guarantee Reserve Fund.

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1986: Subcommittee on Foreign Assistance and Related Agencies	15.2	[1] 14,844	14.7	[2] 15,163
Projections of outlays associated with budget authority recommended in the bill:				
1986				[3] 6,651
1987				4,693
1988				2,212
1989				1,144
1990 and future year				552
Financial assistance to State and local governments for 1986 in the bill				

[1] Excludes $1,800 million for Eximbank that would not be scored if proposed bill language were enacted into law.

[2] Includes outlays from prior-year budget authority, adjusted to conform with Committee estimates in allocations.

[3] Excludes outlays from prior-year budget authority.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1985 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1986

[Amounts in dollars]

Item	1985 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1985 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I - MULTILATERAL ECONOMIC ASSISTANCE							
FUNDS APPROPRIATED TO THE PRESIDENT							
International Financial Institutions							
World Bank Group							
Contribution to the International Bank for Reconstruction and Development:							
Paid-in capital	139,722,474	182,870,597	151,782,596	109,720,549	-30,001,925	-73,150,048	-42,062,047
Limitation on callable capital subscriptions	(1,723,243,831)	(2,105,454,718)	(1,747,527,416)	(1,353,220,096)	(-370,023,735)	(-752,234,622)	(-394,307,320)
Total, contribution to the International Bank for Reconstruction and Development	(1,862,966,305)	(2,288,325,315)	(1,899,310,012)	(1,462,940,645)	(-400,025,660)	(-825,384,670)	(-436,369,367)
Budget authority	139,722,474	182,870,597	151,782,596	109,720,549	-30,001,925	-73,150,048	-42,062,047
Limitation on callable capital	(1,723,243,831)	(2,105,454,718)	(1,747,527,416)	(1,353,220,096)	(-370,023,735)	(-752,234,622)	(-394,307,320)
Contribution to the International Development Association (IDA VI)	900,000,000	750,000,000	750,000,000	750,000,000	-150,000,000	---	---
International Finance Corporation	---	35,033,000	29,077,390	35,033,000	+35,033,000	---	+5,955,610
Total, contributions World Bank Group	(2,762,966,305)	(3,073,358,315)	(2,678,387,402)	(2,247,973,645)	(-514,992,660)	(-825,384,670)	(-430,413,757)
Budget authority	1,039,722,474	967,903,597	930,859,986	894,753,549	-144,968,925	-73,150,048	-36,106,437
Limitation on callable capital	(1,723,243,831)	(2,105,454,718)	(1,747,527,416)	(1,353,220,096)	(-370,023,735)	(-752,234,622)	(-394,307,320)

Contribution to the Inter-American Development Bank:							
Fund for special operations	145,000,000	72,500,000	72,500,000	40,000,000	-105,000,000	-32,500,000	-32,500,000
Inter-regional paid-in capital	78,002,154	58,000,983	58,000,983	38,000,983	-40,001,171	-20,000,000	-20,000,000
Inter-American Investment Corporation	13,000,000	13,000,000	11,700,000	13,000,000	---	---	+1,300,000
Limitation on callable capital subscriptions	(1,655,464,826)	(1,230,964,704)	(1,230,964,704)	(1,230,964,704)	(-424,500,122)	---	---
Total, contribution to the Inter-American Development Bank	(1,891,466,980)	(1,374,465,687)	(1,373,165,687)	(1,321,965,687)	(-569,501,293)	(-52,500,000)	(-51,200,000)
Budget authority	236,002,154	143,500,983	142,200,983	91,000,983	-145,001,171	-52,500,000	-51,200,000
Limitation on callable capital	(1,655,464,826)	(1,230,964,704)	(1,230,964,704)	(1,230,964,704)	(-424,500,122)	---	---
Contribution to the Asian Development Bank:							
Paid-in capital	13,232,676	13,232,676	11,909,408	13,232,676	---	---	+1,323,268
Development fund	191,232,340	130,000,000	130,000,000	100,000,000	-91,232,340	-30,000,000	-30,000,000
Limitation on callable capital subscriptions	(251,367,220)	(251,367,220)	(226,230,498)	(251,367,220)	---	---	(+25,136,722)
Total, contribution to the Asian Development Bank	(455,832,236)	(394,599,896)	(368,139,906)	(364,599,896)	(-91,232,340)	(-30,000,000)	(-3,540,010)
Budget authority	204,465,016	143,232,676	141,909,408	113,232,676	-91,232,340	-30,000,000	-28,676,732
Limitation on callable capital	(251,367,220)	(251,367,220)	(226,230,498)	(251,367,220)	---	---	(+25,136,722)
Contribution to the African Development Fund	50,000,000	75,000,000	62,250,000	75,000,000	+25,000,000	---	+12,750,000
Contribution to the African Development Bank:							
Paid-in capital	17,987,678	17,986,678	16,188,910	17,986,678	-1,000	---	+1,797,768
Limitation on callable capital	(53,960,036)	(53,960,036)	(48,564,032)	(53,960,036)	---	---	(+5,396,004)
Total, contributions to the African Development Bank	(71,947,714)	(71,946,714)	(64,752,942)	(71,946,714)	(-1,000)	---	(+7,193,772)
Budget authority	17,987,678	17,986,678	16,188,910	17,986,678	-1,000	---	+1,797,768
Callable capital	(53,960,036)	(53,960,036)	(48,564,032)	(53,960,036)	---	---	(+5,396,004)
Total, contribution to International Financial Institutions	(5,232,213,235)	(4,989,370,612)	(4,546,695,937)	(4,081,485,942)	(-1,150,727,293)	(-907,884,670)	(-465,209,995)
Budget authority	1,548,177,322	1,347,623,934	1,293,409,287	1,191,973,886	-356,203,436	-155,650,048	-101,435,401
Limitation on callable capital	(3,684,035,913)	(3,641,746,678)	(3,253,286,650)	(2,889,512,056)	(-794,523,857)	(-752,234,622)	(-363,774,594)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1985 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1986—Continued

[Amounts in dollars]

Item	1985 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1985 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Department of State							
International organizations and programs	358,676,500	196,211,000	298,364,800	281,360,000	-77,316,500	+85,149,000	-17,004,800
(By transfer, unobligated balances)	(3,600,000)	---	---	---	(-3,600,000)	---	---
Total, contribution for Multilateral Economic Assistance, title I	(5,594,489,735)	(5,185,581,612)	(4,845,060,737)	(4,362,845,942)	(-1,231,643,793)	(-822,735,670)	(-482,214,795)
Budget authority	1,906,853,822	1,543,834,934	1,591,774,087	1,473,333,886	-433,519,936	-70,501,048	-118,440,201
Limitation on callable capital	(3,684,035,913)	(3,641,746,678)	(3,253,286,650)	(2,889,512,056)	(-794,523,857)	(-752,234,622)	(-363,774,594)
TITLE II - BILATERAL ECONOMIC ASSISTANCE							
FUNDS APPROPRIATED TO THE PRESIDENT							
Agency for International Development							
Agriculture, rural development, and nutrition Development Assistance	755,551,000	792,352,000	679,995,900	760,000,000	+4,449,000	-32,352,000	+80,004,100
Population, Development Assistance	290,000,000	250,017,000	261,000,000	250,000,000	-40,000,000	-17,000	-11,000,000
Health, Development Assistance	223,138,000	146,427,000	200,824,200	205,000,000	-18,138,000	+58,573,000	+4,175,800
Child Survival Fund	25,000,000	---	22,500,000	25,000,000	---	+25,000,000	+2,500,000
Education and human resources development, Development Assistance	188,833,000	183,533,000	169,949,700	180,000,000	-8,833,000	-3,533,000	+10,050,300
Energy and selected development activities, Development Assistance	190,000,000	210,071,000	174,358,930	190,000,000	---	-20,071,000	+15,641,070

Science and technology, Development Assistance.....	10,000,000	13,000,000	10,796,000	13,000,000	+3,000,000	---	+2,210,000
Private sector revolving fund (by transfer).....	(20,000,000)	(20,000,000)	(18,000,000)	(18,000,000)	(-2,000,000)	(-2,000,000)	---
Total, development assistance.....	1,682,522,000	1,595,400,000	1,519,418,730	1,623,000,000	-59,522,000	+27,600,000	+103,581,270
American schools and hospitals abroad.....	30,000,000	10,000,000	27,000,000	35,000,000	+5,000,000	+25,000,000	+8,000,000
International disaster assistance.....	162,500,000	25,000,000	22,500,000	25,000,000	-137,500,000	---	+2,500,000
Sahel development program.....	97,500,000	80,500,000	87,750,000	80,500,000	-17,000,000	---	-7,250,000
Overseas training and special development activities (foreign currency program).....	(1,100,000)	---	---	---	(-1,100,000)	---	---
Payment to the Foreign Service Retirement and Disability Fund.....	41,864,000	43,122,000	43,122,000	43,122,000	+1,258,000	---	---
AID deobligate/reobligate reappropriation.....	25,000,000	---	5,000,000	5,000,000	-20,000,000	+5,000,000	---
Deobligate and rescind Syrian termination account.....	---	---	-26,200,000	---	---	---	+26,200,000
Operating expenses of the Agency for International Development.....	391,533,250	368,500,000	387,000,000	372,200,000	-19,333,250	+3,700,000	-14,800,000
(By transfer).....	(2,500,000)	---	---	---	(-2,500,000)	---	---
Operating expenses of the Office of the Inspector General.....	---	25,200,000	---	25,200,000	+25,200,000	---	+25,200,000
Trade credit insurance program.....	(300,000,000)	(200,000,000)	(200,000,000)	(300,000,000)	---	(+100,000,000)	(+100,000,000)
Trade and development	21,000,000	20,034,000	18,900,000	20,034,000	-966,000	---	+1,134,000
Housing and other credit guaranty programs:							
Loan reserve.....	40,000,000	---	---	---	-40,000,000	---	---
(Limitation on guaranteed loans).....	(160,000,000)	(45,000,000)	(144,000,000)	(160,000,000)	---	(+115,000,000)	(+16,000,000)
Subtotal, Agency for International Development..	2,491,919,250	2,167,756,000	2,084,490,730	2,229,056,000	-262,863,250	+61,300,000	+144,565,270
Economic support fund.....	6,084,000,000	4,024,000,000	3,651,286,666	3,800,000,000	-2,284,000,000	-224,000,000	+148,713,334
Total, Agency for International Development.....	8,575,919,250	6,191,756,000	5,735,777,396	6,029,056,000	-2,546,863,250	-162,700,000	+293,278,604
African Development Foundation							
Appropriations.....	1,000,000	1,012,000	4,000,000	1,012,000	+12,000	---	-2,988,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1985 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1986—Continued

[Amounts in dollars]

Item	1985 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1985 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Inter-American Foundation							
Appropriations	11,992,000	8,800,000	10,792,800	11,969,000	-23,000	+3,169,000	+1,176,200
Overseas Private Investment Corporation							
(Limitation on direct loans)	(15,000,000)	(15,000,000)	(13,500,000)	(15,000,000)	---	---	(+1,500,000)
(Limitation on guaranteed loans)	(150,000,000)	(150,000,000)	(135,000,000)	(150,000,000)	---	---	(+15,000,000)
Nicaragua							
Nicaraguan humanitarian assistance	27,000,000	---	---	---	-27,000,000	---	---
Assistance for implementation of a Contadora agreement	2,000,000	---	---	---	-2,000,000	---	---
Total, Funds Appropriated to the President	8,617,911,250	6,201,568,000	5,750,570,196	6,042,037,000	-2,575,874,250	-159,531,000	+291,466,804
Independent Agency							
Peace Corps	128,600,000	125,200,000	128,600,000	130,000,000	+1,400,000	+4,800,000	+1,400,000
Department of State							
International narcotics control	50,217,000	57,709,000	57,529,000	57,529,000	+7,312,000	-180,000	---
Migration and refugee assistance	338,000,000	337,930,000	292,950,000	344,730,000	+6,730,000	+6,800,000	+51,780,000

United States Emergency Refugee and Migration Assistance Fund	25,000,000	---	---	---	-25,000,000	---	---
Anti-terrorism assistance	5,000,000	32,000,000	5,000,000	9,840,000	+4,840,000	-22,160,000	+4,840,000
Peacekeeping operations	44,000,000	37,000,000	34,000,000	34,000,000	-10,000,000	-3,000,000	---
Total, Department of State	462,217,000	464,639,000	389,479,000	446,099,000	-16,118,000	-18,540,000	+56,620,000
Total, title II, Economic assistance - bilateral:							
New budget (obligational) authority	9,208,728,250	6,791,407,000	6,268,641,196	6,618,136,000	-2,590,592,250	-173,271,000	+349,486,804
(Limitation on direct loans)	(15,000,000)	(15,000,000)	(13,500,000)	(15,000,000)	---	---	(+1,500,000)
(Limitation on guaranteed loans)	(310,000,000)	(195,000,000)	(279,000,000)	(310,000,000)	---	(+115,000,000)	(+31,000,000)
TITLE III - MILITARY ASSISTANCE							
FUNDS APPROPRIATED TO THE PRESIDENT							
Military Assistance	805,100,000	976,350,000	739,648,000	805,100,000	---	-171,250,000	+65,452,000
International Military Education and Training	56,221,000	65,650,000	54,489,500	56,221,000	---	-9,429,000	+1,731,500
Foreign Military Credit Sales:							
Direct credits and forgiven loans	4,939,500,000	5,655,000,000	5,071,983,333	5,371,000,000	+431,500,000	-284,000,000	+299,016,667
Debt service reform	---	---	---	(531,710,682)	(+531,710,682)	(+531,710,682)	(+531,710,682)
Special Defense Acquisition Fund (limitation on obligations)	(325,000,000)	(345,000,000)	(325,000,000)	(345,000,000)	(+20,000,000)	---	(+20,000,000)
Guarantee Reserve Fund	109,000,000	---	50,000,000	50,000,000	-59,000,000	+50,000,000	---
Total, military assistance programs	5,909,821,000	6,697,000,000	5,916,120,833	6,282,321,000	+372,500,000	-414,679,000	+366,200,167
(Limitation on obligations)	(325,000,000)	(345,000,000)	(325,000,000)	(345,000,000)	(+20,000,000)	---	(+20,000,000)
TITLE IV - EXPORT-IMPORT BANK OF THE UNITED STATES							
Limitation of Program Activity:							
(Limitation on direct loans)	(3,865,000,000)	---	(783,879,167)	---	(-3,865,000,000)	---	(-783,879,167)
(Limitation on guaranteed loans)	(10,000,000,000)	(12,000,000,000)	(12,000,000,000)	(12,000,000,000)	(+2,000,000,000)	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1985 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1986—Continued

[Amounts in dollars]

Item	1985 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1985 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Limitation on administrative expenses	(18,900,000)	(18,357,000)	(18,000,000)	(18,000,000)	(-900,000)	(-357,000)	---
Total, Export-Import Bank of the United States, (limitations on use of corporate funds)	(13,883,900,000)	(12,018,357,000)	(12,801,879,167)	(12,018,000,000)	(-1,865,900,000)	(-357,000)	(-783,879,167)
RECAPITULATION							
Total, titles I, II, III, new budget (obligational) authority	17,025,403,072	15,032,241,934	13,776,544,116	14,373,790,886	-2,651,612,186	-658,451,048	+597,246,770
Total, title IV, Export-Import Bank, new budget (obligational) authority	3,865,000,000	---	783,879,167	---	-3,865,000,000	---	-783,879,167
Total NBOA (including Ex-Im)	20,890,403,072	15,032,241,934	14,560,423,283	14,373,790,886	-6,516,612,186	-658,451,048	-186,632,397
Total NBOA (including net BA effect of FMS debt Service reform)	20,890,403,072	15,032,241,934	14,560,423,283	14,843,772,886	-6,046,630,186	-188,469,048	+283,349,603
Memoranda:							
(Foreign currencies)	(1,100,000)	---	---	---	(-1,100,000)	---	---
(Limitation on obligations)	(325,000,000)	(345,000,000)	(325,000,000)	(345,000,000)	(+20,000,000)	---	(+20,000,000)
(Limitation on guaranteed loans)	(10,310,000,000)	(12,195,000,000)	(12,279,000,000)	(12,310,000,000)	(+2,000,000,000)	(+115,000,000)	(+31,000,000)

(Limitation on direct loans).....	(3,880,000,000)	(15,000,000)	(797,379,167)	(15,000,000)	(-3,865,000,000)	---	(-782,379,167)
(Net BA effect of FMS debt service reform)..	---	---	---	(469,982,000)	(+469,982,000)	(+469,982,000)	(+469,982,000)

STAFF NOTE: These figures have been adjusted to insure comparable accounting methods between fiscal years for the Foreign Military Credit Sales Program and the Export-Import Bank.